



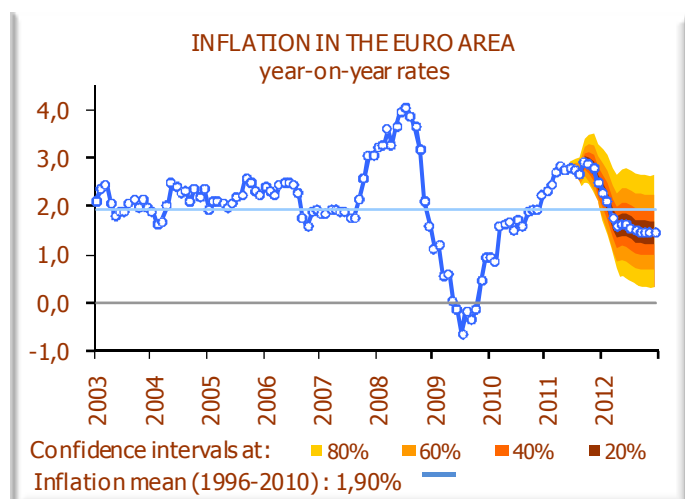
Metal and vehicles manufactures will lead the Spanish industry growth. Those sectors with most negative impact will be food and chemical manufactures

DIVISIONS WITH THE HIGHEST AND LOWEST IMPACT ON INDUSTRIAL GROWTH IN SPAIN				
year-on-year rates				
	Pesos	2010	2011	2012
Manufacture of food products	10,7	2,1	-1,4	0,3
Manufacture of chemicals	5,8	-7,4	-7,9	0,9
Manufacture of fabricated metal products, except machinery and equipment	10,7	-6,3	1,9	3,1
Manufacture of motor vehicles, trailers and semi-trailers	7,4	12,7	12,7	10,3
TOTAL IPI		0,9	0,2 (±1.9)	1,3 (±3.2)
GVA Industry		0,9	4,2	2,1

Source: INE & BIAM (UC3M)

Date: June 21, 2011

Despite the slight slowdown in the euro area, according to our expectations, inflation in the euro area could be above the ECB's target for 15 months



Source: Eurostat & BIAM (UC3M)

Date: June 16, 2011

Economic Outlook

P. 1

The data released during this last month appear to confirm that economic growth is slowing down worldwide and neither euro area nor Spain are the exception in this process of loss of momentum. Moreover, the lack of resolve on the part of European leaders to solve the public debt crisis has continued to put pressure on sovereign financing costs, forcing the implementation of more intense adjustment measures and in more countries. Within this context, given that local elections in Spain are over, there should be no reason to believe that public consumption will once again lead the growth in the Spanish economy, as it did in the first quarter of the year. As we can no longer entrust the public spending with the Spanish economy's growth, in this Economic Situation we analyse in detail which sectors are growing the most and which ones are likely to take the lead from now on.

Evolution of the profit mark-up in the Spanish economy in the last years

P. 40

The economic crisis has led to an important decline in firms' profit or operating margins. The current adjustment, however, involved an improvement in business margins and, therefore, profits. In 2010 we are already seeing a recovery that is expected to continue in 2011, in view of the first quarter's results. All this is necessary for investment to recover and the creation of employment to commence. A sectoral analysis shows that the margins of the manufacturing industry and construction have been the most affected by the crisis, with that of services having received the lowest impact.

BULLETIN OF E.U. AND US INFLATION AND MACROECONOMIC ANALYSIS

Director: **Antoni Espasa**

Coordination: **Santiago Sánchez Guiu**

Macroeconomic Analyst: **Michele Boldrin**

Labor Market Analyst: **Jose Ignacio Pérez Infante y Cesar Rodriguez**

Analysis of Financial Markets Consultant: **Esther Ruiz**

Inflation Analysis and Forecasts:

Europe and Spain: **Santiago Sánchez Guiu and César Castro**

United States: **Ángel Sánchez**

Macroeconomic Analysis and Forecasts:

Spain: **Nicolás Carrasco**

Euro Area: **Nicolás Carrasco and Santiago Sánchez Guiu**

Norway: **Gunnar Bardsen y Ragnar Nymoen**

Industrial Production Analysis:

Spain: **Carles Bretó**

Euro Area: **Santiago Sánchez Guiu**

USA: **Santiago Sánchez Guiu**

Composition: **Elena Arispe and Eva María Torijano**

Advisory Board:

Paulina Beato, Guillermo de la Dehesa, José Luis Feito, Miguel Ángel Fernández de Pinedo, Alberto Lafuente, José Luis Larrea, José Luis Madariaga, Carlos Mas, Teodoro Millán, Emilio Ontiveros, Amadeo Petitbò, Federico Prades, Narcís Serra, Tomás de la Quadra-Salcedo, Javier Santiso, Xavier Vives, and Juan Urrutia (Chairman).

BULLETIN OF EU & US INFLATION AND MACROECONOMIC ANALYSIS is an independent academic publication, monthly published by the Macroeconomic Forecast and Analysis Laboratory, Universidad Carlos III de Madrid.

All rights reserved. Reproduction in part or whole is prohibited without prior permission of the Macroeconomic Forecast and Analysis Laboratory.

ISSN 1888-9298

Macroeconomic Forecast and Analysis Laboratory, Instituto Flores de Lemus

Universidad Carlos III de Madrid

C/ Madrid, 126 E-28903 Getafe (Madrid) Tel +34 91 624 98 89 Fax +34 91 624 93 05

[www. uc3m.es/boletin](http://www.uc3m.es/boletin) E-mail: laborat@est-econ.uc3m.es

I. ECONOMIC OUTLOOK	p.1
II. THE ECONOMY IN THE EURO AREA	p.4
II.1. Macroeconomic Forecasts	p.6
Gross Domestic Product	p.8
Industrial Production Index	p.10
II.2. Inflation	p.12
II.3. Monetary Policy	p.18
III. UNITED STATES	
III.1. Industrial Production Index	p.19
III.2. Inflation	p.20
III.3. Property Sector	p.24
IV. THE SPANISH ECONOMY	p.26
IV.1. Macroeconomic Forecasts	p.28
Gross Domestic Product	p.32
Industrial Production Index	p.34
IV.2. Inflation	p.43
IV.3. Evolution of the profit margin in the Spanish economy in the las few years	p.40
V. FORECASTS FOR DIFFERENT INSTITUTIONS	p.43
VI. ANNEX I: CHANGE IN FORECASTS AND DATA REVISIONNS	p.44
VII. ANNEX II: SUMMARY OF FORECASTS FOR DIFFERENT AREAS	p.51

*The cut-off date for the statistics included in this Bulletin was June 30, 2011.

I. ECONOMIC OUTLOOK

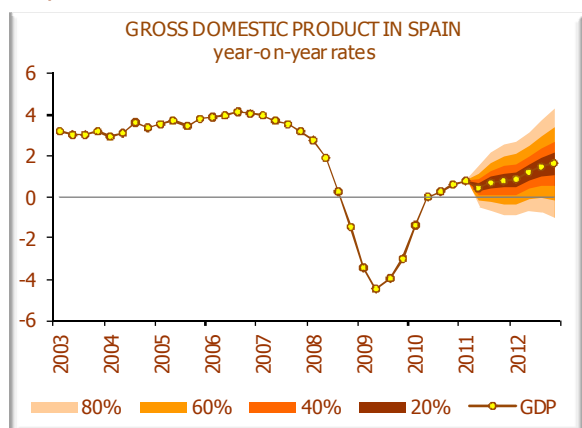
The data released during this last month appear to confirm that economic growth is slowing down worldwide and neither the euro area nor Spain are the exception in this process of loss of momentum. Moreover, the lack of resolve on the part of European leaders to solve the public debt crisis has continued to put pressure on sovereign financing costs, forcing the implementation of more intense adjustment measures and in more countries. Within this context, given that local elections in Spain are over, there should be no reason to believe that public consumption will once again lead the growth in the Spanish economy, as it did in the first quarter of the year. As we can no longer entrust the Spanish economy's growth to public spending, in this Economic Situation we analyse in detail which sectors are growing the most and which ones are likely to take the lead from now on.

Tourism's favourable data are still not enough to compensate for the bad results reflected in the indicators for industry and construction. Therefore, our expectations for the growth of the Spanish economy have been revised downwards. Thanks to rounding, they remain at 0.7% (± 0.6) for 2011, but they recede by a tenth to 1.3% (± 1.0) for 2012.

Beginning with industry, all the most recent qualitative and quantitative indicators rule out the possibility that the latter may repeat in the next quarter the exceptional growth it experimented in the first. June's manufacturing PMI was the lowest of the last 20 months. Industry's quantitative indicators are also showing negative trends. In April, the Industrial Production Index (IPI) was lower than expected for the second consecutive month, and our forecast for 2011 and 2012 dropped to 0.2% (± 1.9) and 1.3% (± 3.2) respectively.

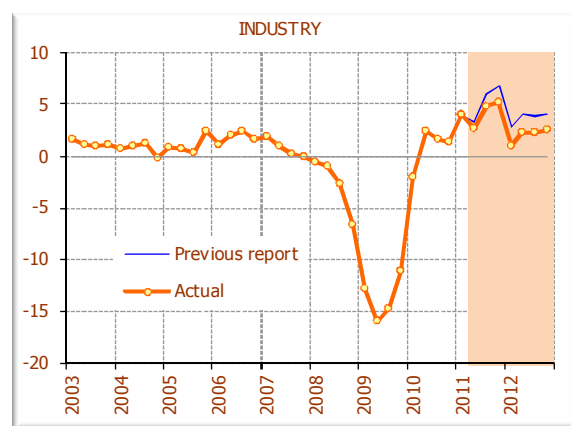
We will now analyse the factors which may be causing the loss of momentum and confidence in

Graph I.1



Source: INE &BIAM (UC3M)
Date: June 30, 2011

Graph I.2

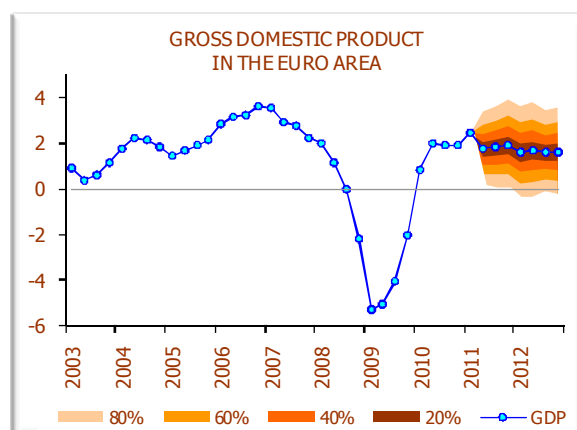


Source: INE &BIAM (UC3M)
Date: June 30, 2011

Spain's industry. In the first four months of the year, Spanish exports of goods exceeded the most optimistic forecasts, thus leading us to search for the cause of stagnation of the Spanish industrial sector in internal demand. Lack of credit and the paralysis of the labour market continue to be the two most important reasons for private consumption's lethargy.

However, the upcoming data for Spanish external trade will confirm to what extent the industrial contraction anticipated by the manufacturing PMI is also due to the slowing down of the euro area economy. This month, we have slightly reduced our 2011 GDP growth forecast for the euro area, which remains at 2% (± 0.7) because of rounding. However, our forecast for 2012 is revised downwards by a tenth, to 1.6% (± 1.0). In any case, everything indicates that these forecasts will again be revised downwards next month, this time more severely, since a majority of the data that is lately suggesting the higher intensity of the slowdown of the euro area was published after the statistical closing date of our last forecast of the euro area's GDP (June 22nd).

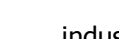
Graph I.3



Source: INE &BIAM (UC3M)
Date: June 22, 2011



Table I.1

CONFIDENCE INDICATORS IN THE EURO AREA					
		jun-11	may-11	Average 12 months	jan08 - last.obs
INDUSTRY	ICI	3,2	3,8	2,0	
	PMI manufacturing	52,0	54,6	56,2	
	Employment	6,0	6,4	1,5	
	Sales prices	16,0	20,3	13,9	
	Production	12,0	13,0	14,4	
	Orderbooks	-1,6	-2,7	-9,8	
	Export Orderbooks	-2,2	-0,8	-9,3	
	New Orders Expectations ²	18,6	23,8	19,9	
	Export Vol Expectations ²	16,2	21,4	14,5	
	Capacity Utilization ²	81,3	80,3	77,7	
GENERAL	Business Climate (ncve)	0,9	1,0	1,0	
	Economic Sentiment	105,1	105,5	104,7	
	Sentix - Sit Actual (ncve)	18,5	23,8	15,8	
	IFO	114,5	114,2	112,7	

Source: INE &BIAM (UC3M)
Date: June 29, 2011

The slowdown in the euro area is evidenced by the behaviour of the ESI in June, which was lower than expected for the third time in a row, returning to October 2010 levels. This slowdown could be caused, first, by the fact that specific external shocks, such as problems with industrial supply due to the Japanese crisis, or the continuous tensions in the energy market created by the Libyan crisis, could be having a greater impact than initially anticipated. Second, the economies of the most important Asian countries are also starting to slow down because of the series of measures implemented in the past few months to put a brake on inflation. Third, the European Central Bank is continuing to slow down the depreciation of the euro, which appears to be stabilising at 1.45 dollars and is beginning to undermine industrial growth in the most important exporting countries. After seasonal adjustment, we see that exports in the euro area stagnated in March and April. Moreover, growth of private consumption in the euro area has paralysed, with retail sales falling by a monthly 1.1%.

Therefore, considering the fact that the euro area represents 54% of Spanish external demand, and that this region is not the only one that has been slowing down in the past few months, the possibility that our exports will continue to decline in the near future cannot be ruled out. The impact of this slowdown on our industry would also be significant.

Reaching the lowest level of the breakdown, the slowdown experienced by industry in the last few months is being led by the food industry, which underwent in April its third consecutive monthly contraction. According to our forecast, after an average annual growth rate of 2.1% in 2010, the sector will contract at a rate of 1.4% in 2011, before stagnating in 2012. The chemical industry will also play a significant role in industry's slowdown, as it decreases its average growth rate from 5.2% in 2010 to 1.9% in 2011, also stagnating in 2012. On the other hand, the sectors that will contribute more positively will be the manufacturing of metal products (excluding machinery and equipment) and the manufacturing of motor vehicles and trailers, mainly for external consumption.

In conclusion, except for a few industrial sectors that may maintain acceptable growth rates for the 2011-2012 biennium, our forecast indicates that a majority of the sectors will continue to contract or reduce their growth rates for said period. This is why our forecast for industrial GVA growth has been revised downward, from 5% to 4.2% in 2011, and from 3.7% to 2.1% in 2012.

On the other hand, the construction sector remains the major burden of the Spanish economy. Moreover, the situation continues to worsen, as the results revealed by the most recent indicators have motivated our downward revision of construction's GVA to -4.5% and -0.2%, for 2011 and 2012 respectively.

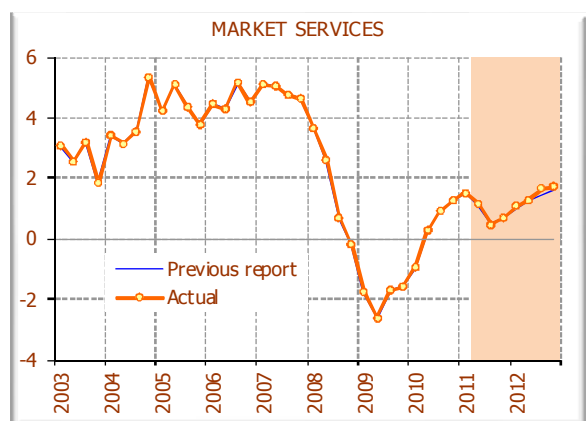
Table I.2

DIVISIONS WITH THE HIGHEST AND LOWEST REPERCUSSION ON INDUSTRIAL GROWTH IN SPAIN				
year-on-year rates				
	Pesos	2010	2011	2012
Manufacture of food products	10.7	2.1	-1.4	0.3
Manufacture of chemicals	5.8	-7.4	-7.9	0.9
Manufacture of fabricated metal products, except machinery and equipment	10.7	-6.3	1.9	3.1
Manufacture of motor vehicles, trailers and semi-trailers	7.4	12.7	12.7	10.3
TOTAL		0.9	0.2 (± 1.9)	1.3 (± 3.2)
GVA Industry		0.9	4.2	2.1

Source: INE &BIAM (UC3M)
Date: June 28, 2011



Graph I.4



Source: INE &BIAM (UC3M)
Date: June 30, 2011

In contrast, as initially anticipated, the service sector is partially compensating for the contractionary effect of industry and construction, mainly thanks to the positive evolution of tourism in the last few months. In the first five months of the year, the number of international tourist arrivals grew by 7.3%, and their average spending by 8%, as compared to the previous year. However, we should remain cautious in terms of the future evolution of the sector. The positive situation experienced by Spanish tourism is very much related to the conflicts in North Africa, which means that the normalization of the situation in that region could provoke a significant slowdown in the sector. Moreover, the inflation generated by the current boom has led to the agreement of an average year-on-year salary increase for the sector of 3.5%, the second greatest increase in the Spanish economy. The competitiveness of our tourism sector and its potential in job creation could be severely affected should the increase in prices result into second-round effects.

Let us analyse the services sector activity survey published by the National Statistics Institute (INE), to better understand which specific sectors are being affected by the boom in tourism and how the remaining sectors are behaving. In terms of turnover, up until April the *transportation and storage* sector appeared as the most dynamic with the greatest year-on-year growth rate (harmonised by its twelve-month moving average). According to this scale, and despite the slight contraction in the last month, the second position of this turnover growth ranking continued to be held by the *wholesale trade* sector. The *sale and repair of vehicles and motorcycles* sector presented the best turnover evolution in the summer of 2010 thanks to the *Plan 2000E*. However, the withdrawal of said

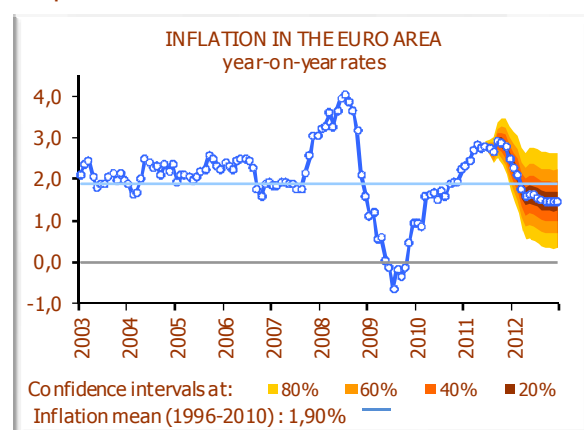
stimuli has led the latter to experience the greatest contraction of all the sectors.

Ultimately, despite the good moment being experienced by tourism, the lack of momentum in the remaining service sub-sectors keeps our expectations of growth of GVA for services stable at 0.9% and 1.3% for 2011 and 2012. Therefore, the service sector in Spain is still not able to compensate for the weakness of construction, nor for the slowdown of industry.

On another note, in terms of our inflation forecast, the greater weight of energy in the Spanish consumption basket relative to the consumption basket of the euro area has led last month's slight moderation of fuel prices to trigger a slight downward revision of our forecast for inflation in Spain, whereas that of the euro area has remained the same. In Spain, expected inflation is reduced by a tenth for 2011 and 2012 down to 3.0% (± 0.41) and 1.5% (± 1.45) respectively. This month's forecast for inflation in the euro area remains unaltered at 2.7% (± 0.31) and 1.7% (± 0.95) for the same period.

According to our forecast, none of the countries with more than 1% of representation over the total of the euro area will manage to reduce their HICP to 2% before December of this fiscal year. In spite of the slight moderation of energy prices in the last month, our forecasts indicate that inflation in the euro area could be above the ECB's target for a total of 15 months. Therefore a new interest rate hike of 0.25 percentage points, which the ECB appears to be aiming at, is very likely this month.

Graph I.5



Source: INE &BIAM (UC3M)
Date: June 17, 2011

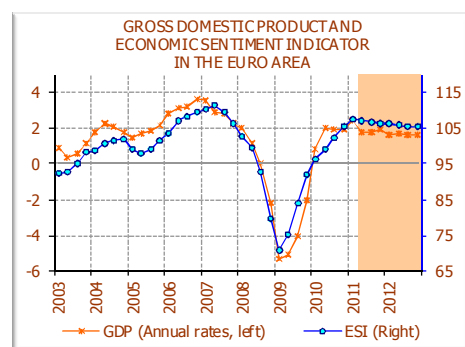
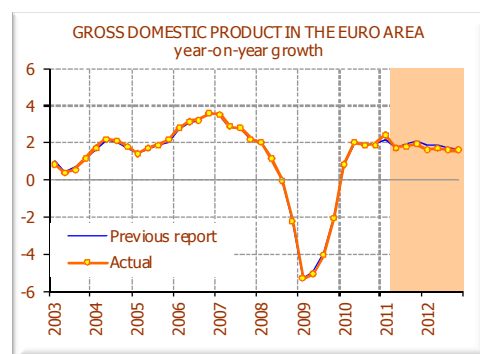


II. THE ECONOMY IN THE EURO AREA

The expected GDP growth rate for 2011 remains at 2% (± 0.7), as the upwards innovation in investment counteracts the poor evolution of the leading indicators.

Our total and core inflation forecasts for 2011 and 2012 remain unaltered this month.

Second consecutive reduction in the industrial growth expected for 2011 and 2012, to 5.8% (± 1.8) and 3.6% (± 2.4), respectively.



MAIN VARIABLES AND INDICATORS IN THE EURO AREA						
Average annual rates						
	2007	2008	2009	2010	Forecasts	
					2011	2012
GDP mp.¹	2.9	0.2	-4.1	1.7	2 (± 0.7)	1.6 (± 1)
Demand						
Private final consumption	1.6	0.3	-1.2	0.8	1.1	1.2
Public final consumption	2.2	2.3	2.5	0.7	0.6	0.6
Gross capital formation	5.5	-1.8	-14.9	2.2	4.7	2.7
Contribution domestic demand	2.6	0.2	-3.0	1.0	1.7	1.4
Exports of goods and services	6.2	0.7	-13.1	11.1	7.1	6.7
Imports of goods and services	5.7	0.6	-11.8	9.4	6.5	6.1
Contribution foreign demand	0.3	0.0	-0.6	0.8	0.3	0.3
Supply GVA						
Total	3.0	0.5	-4.2	1.7	1.9	1.6
Agriculture	1.2	1.4	2.8	0.0	0.7	-0.7
Industry	3.2	-2.7	-13.1	6.0	3.9	2.5
Construction	2.4	-1.9	-6.1	-4.1	-0.1	-1.1
Trade services	3.7	1.3	-5.2	2.3	2.1	1.7
Financial services	4.0	1.5	-1.6	0.9	2.1	2.4
Public services	1.6	1.8	1.3	0.8	0.7	0.8
Prices (HICP²)						
Total	2.1	3.3	0.3	1.6	2.7 (± 0.3)	1.7 (± 1)
Core	2.0	2.4	1.3	1.0	1.7 (± 0.2)	1.7 (± 0.6)
Processed food	2.8	6.1	1.1	0.9	3.2	3.0
Non-energy industrial goods	1.0	0.8	0.6	0.5	0.9	1.2
Services	2.5	2.6	2.0	1.4	1.8	1.7
Residual	2.8	7.3	-4.5	4.7	7.6	1.4
Non.processed food	3.0	3.5	0.2	1.3	2.4	1.5
Energy	2.6	10.3	-8.1	7.4	11.4	1.4
Labour market³						
Unemployment rate	7.5	7.5	9.4	10.1	9.8	9.5
Industrial production index (excluding construction)⁴						
Total	3.9	-1.6	-14.8	7.4	5.8 (± 1.8)	3.6 (± 2.4)
Consumer goods	2.4	-1.9	-4.9	3.3	2.4	1.5
Durables	1.3	-5.3	-17.3	2.7	3.5	-0.2
Non-durables	2.6	-1.3	-2.9	3.4	2.2	1.7
Equipment	6.8	0.1	-20.8	9.5	10.1	8.4
Intermediate	4.0	-3.4	-19.0	10.1	7.8	2.5
Energy	-0.7	0.2	-5.3	3.7	-2.9	-0.4

The figures in the shaded area are forecasts.

(1) Data adjusted for seasonality and working days effect.

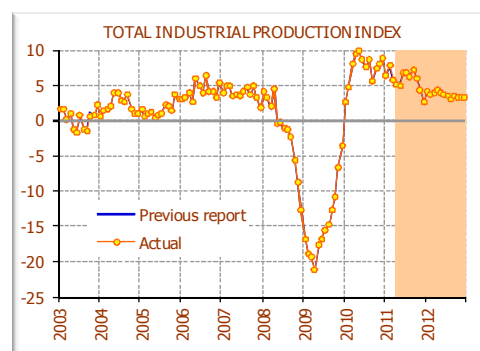
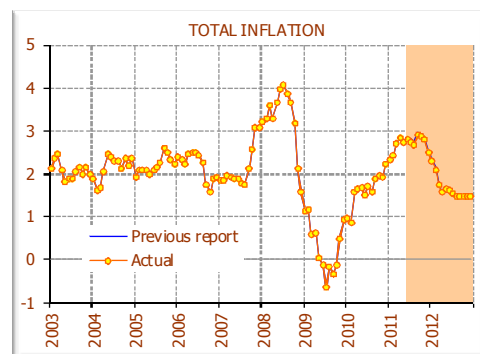
Source: EUROSTAT & BIAM (UC3M)

Date: (1) June 22, 2011

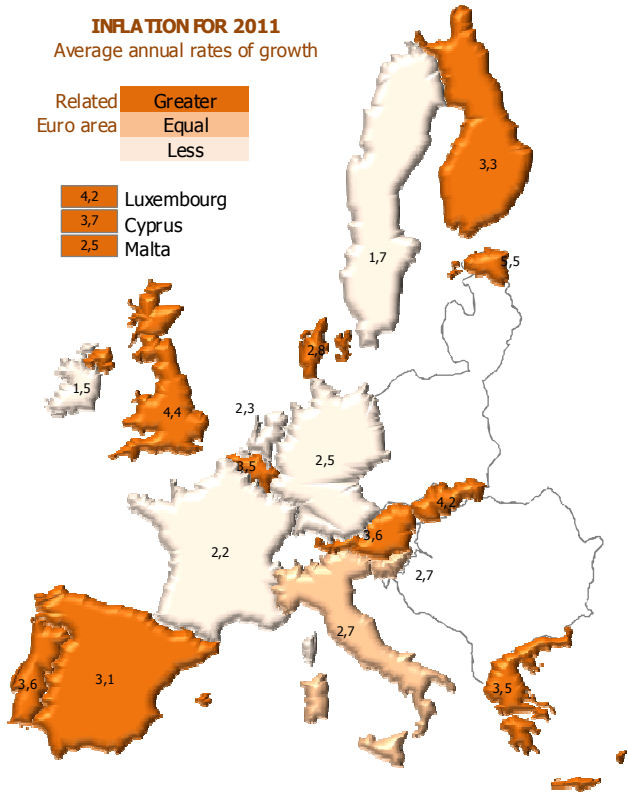
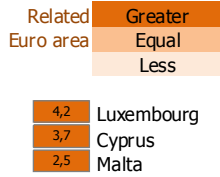
(2) June 16, 2011

(3) April 29, 2011

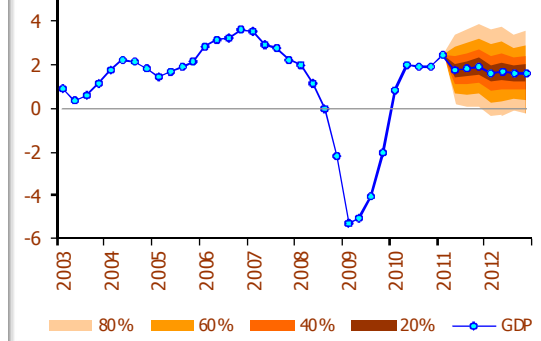
(4) June 22, 2011



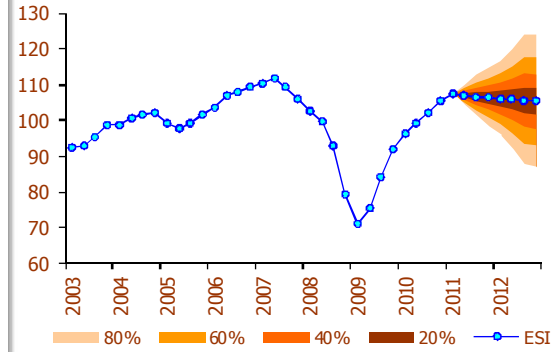
INFLATION FOR 2011
Average annual rates of growth



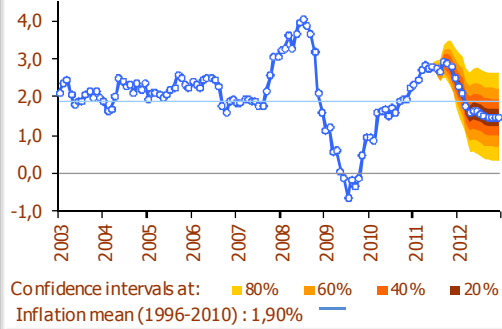
GROSS DOMESTIC PRODUCT IN THE EURO AREA



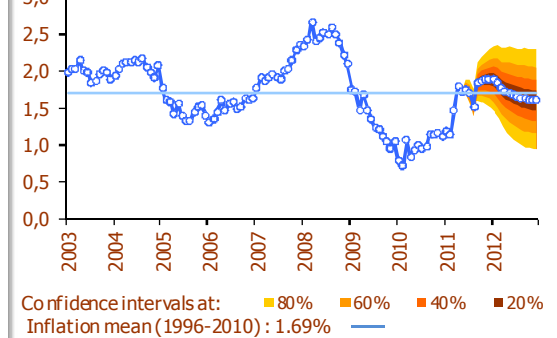
ECONOMIC SENTIMENT INDICATOR IN THE EURO AREA



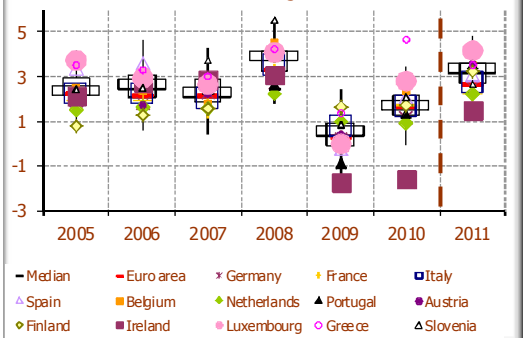
INFLATION IN THE EURO AREA
year-on-year rates



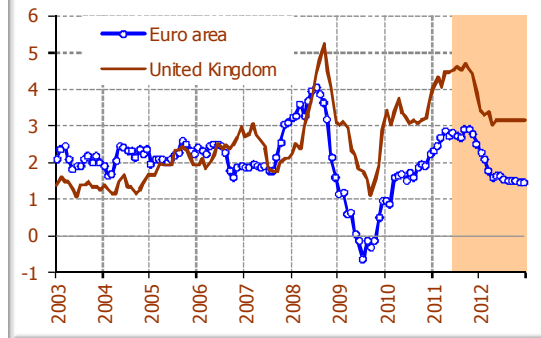
CORE INFLATION IN THE EURO AREA
year-on-year rates



BOX DIAGRAM OF INFLATION IN THE COUNTRIES OF THE EURO AREA
Annual average rate



HARMONIZED INDEX OF CONSUMER PRICES
year-on-year rates



II.1. MACROECONOMIC FORECASTS.

In June, the euro area economy was conditioned on the financial rescue of Portugal (78,000 million euros) and a second rescue of the Greek economy (110,000,000 million euros). In this context, after the surprising increase in growth in the first quarter, the second's economic indicators point to a reduction.

In the first quarter of, the euro area GDP in real terms registered a quarter-on-quarter increase of 0.8%, equivalent to a year-on-year rate of 2.5%, six tenths of a point more than the previous quarter. This result ratified the advance figure published in May and represents a significant improvement relative to the reduction in growth found in the two previous quarters. This result was also three tenths of a point higher than our forecast. This was due to the positive evolution of the French and German economies, which represent nearly half the area's GDP. Portugal and Greece were at the other extreme.

Private consumption registered a quarter-on-quarter growth rate of 0.3% and public consumption grew by less (0.1%); in both cases there was a downwards innovation. The main upwards thrust was found in Gross Capital Formation (GCF, 2.1%). Domestic demand contributed six tenths of a point to GDP growth, half a point more than in the previous quarter. Foreign demand contributed two, one more than the previous quarter, due to 1.9% quarter-on-quarter growth of exports and 1.8% in imports. Both exports and imports registered an upwards innovation of more than half a point.

The Economic Sentiment Indicator fell by 0.7 points in May to 105.5. In turn, the manufacturing PMI fell by nearly three and a half points to 54.6 and the index also decreased in services. This could be a sign that recovery is weakening. The reasons for this change could include the growth of inflation, the persistence of the financial problems of Greece and Portugal and the euro's appreciation relative to the dollar.

The April Industrial Production Index registered a month-on-month increase of 0.2% (year-on-year 5.2%) 0.4pp less than expected and 0.6 pp less than in March, largely due to the euro's appreciation relative to the dollar and other currencies, which has helped to reduced exports. April IPI growth was due to the production of durable consumer and intermediate goods, in contrast to the fall in energy.

Most of industry's leading indicators fell in May. The manufacturing PMI was 54.6, the lowest in seven months.

For 2011 we are expecting 5.8% average annual IPI growth, followed by 3.6% in 2012, both figures being one tenth of a point lower than our previous forecast. Growth in 2011 is expected to be largely due to capital and intermediate goods, and to a lesser extent to consumer goods. However, the contribution of both durable and non-durable consumption has improved, with that of capital and intermediate goods being marginally smaller.

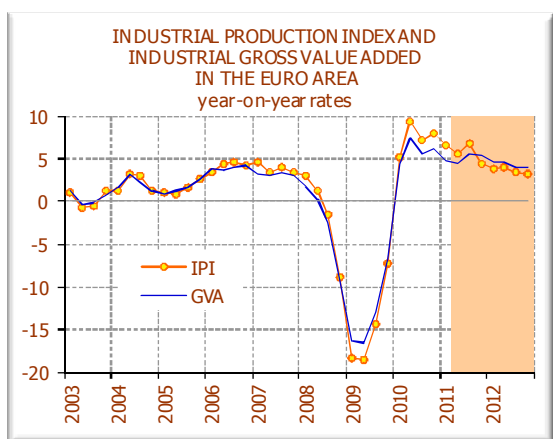
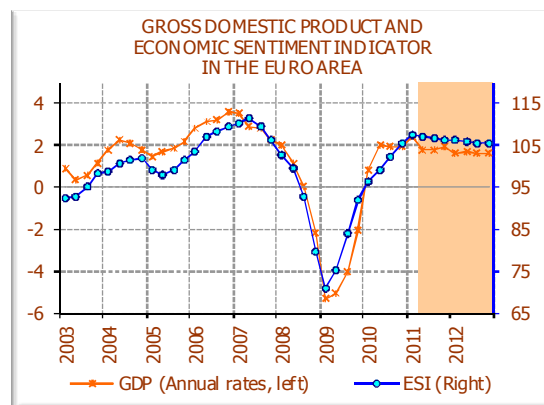
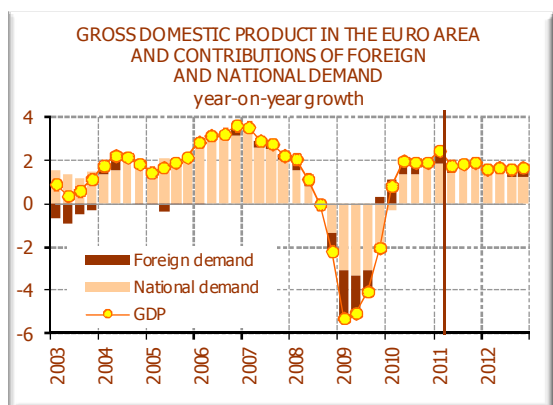
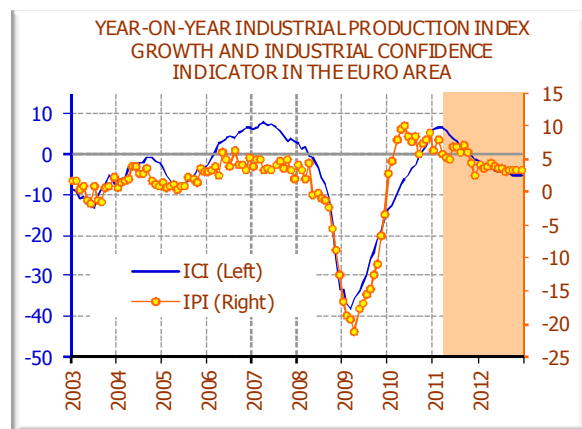
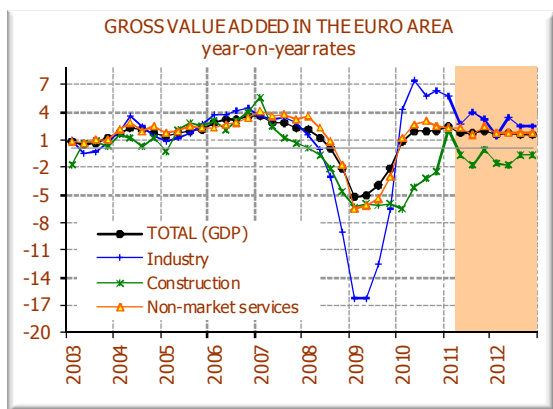
With the partial information available for the quarter, the average annual GDP growth forecast remains at 2%. For 2012 it has been revised downwards 1.6% instead of 1.8%. Private consumption is expected to remain throughout the year at the quarter-on-quarter rate of 0.3% registered in the first quarter, increasing marginally in 2012. For public consumption, average annual growth has been revised downwards to 0.6%, remaining at that level for 2012. The GCF growth forecast has been revised upwards considerably for both years, particularly 2011. Domestic demand will thus contribute 1.7pp to growth in 2011 and 1.4pp in 2012.

Foreign demand is expected to contribute 0.3pp in 2011 and 2012. These contributions to GDP growth for 2011 will result from average annual growth in exports of 7.1% and 6.7% in 2012 and 6.5% for imports in 2011 and 6.1% in 2012.

The latest labour market figures show that, in the first quarter of 2011, employment has become stable again as in several quarters of 2010. This could be contradictory with GDP growth, but we have to remember that employment is usually a delayed indicator of activity and there was also recovery of hours worked in this quarter. The unemployment rate in April was 9.9% for the third consecutive month.

The labour market has been moderately affected by the crisis. In the first few quarters of 2010, destruction of employment decreased and marginal net employment was created in the fourth, stabilising again in the first quarter of 2011. The policy reducing working hours applied in many countries, instead of redundancies as in Spain, has had a major effect here.





INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA					
Average year-on-year rates					
	2008	2009	2010	2011	2012
Consumer goods					
Durable	-5,3	-17,3	2,7	3,5	-0,2
Non-durable	-1,3	-2,9	3,4	2,2	1,7
Capital	0,1	-20,8	9,5	10,1	8,4
Intermediate	-3,4	-19,0	10,1	7,8	2,5
Energy	0,2	-5,3	3,7	-2,9	-0,4
Total	-1,6	-14,8	7,4	5,8 (±1,8)	3,6 (±2,4)
Annual growth of GVA industrial sector	-2,4	-13,3	5,9	5,1	4,3

Source: EUROSTAT & BIAM (UC3M)

Date: June 22, 2011

Source: EUROSTAT & BIAM (UC3M)

Date: June 22, 2011



GROSS DOMESTIC PRODUCT IN THE EURO AREA: DEMAND

GROSS DOMESTIC PRODUCT AND COMPONENTS IN THE EURO AREA										
Annual average and annual rates of growth										
		Final Consumption		Gross Capital Formation	Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP	
		Private	Public							
ANNUAL AVERAGE	2006	2,1	2,2	6,5	3,0	8,9	8,6	0,2	3,2	
	2007	1,6	2,2	5,5	2,6	6,2	5,7	0,3	2,9	
	2008	0,3	2,3	-1,8	0,2	0,7	0,6	0,0	0,2	
	2009	-1,2	2,5	-14,9	-3,0	-13,1	-11,8	-0,6	-4,1	
	2010	0,8	0,7	2,2	1,0	11,1	9,4	0,8	1,7	
	2011	1,1	0,6	4,7	1,7	7,1	6,5	0,3	2 (±0,7)	
	2012	1,2	0,6	2,7	1,4	6,7	6,1	0,3	1,6 (±1)	
ANNUAL RATES*	2010	QI	0,5	1,1	-4,0	-0,3	7,4	4,2	1,1	0,8
		QII	0,6	0,7	4,3	1,3	13,2	11,5	0,7	2,0
		QIII	0,9	0,4	3,9	1,3	12,2	10,8	0,6	1,9
		QIV	1,1	0,7	4,8	1,7	11,5	11,0	0,2	1,9
	2011	QI	1,0	0,8	5,8	1,9	9,8	8,7	0,6	2,4
		QII	1,1	0,7	3,2	1,4	6,6	5,8	0,3	1,7
		QIII	1,2	0,5	4,2	1,6	6,1	5,6	0,2	1,8
		QIV	1,1	0,4	5,4	1,8	6,1	5,9	0,2	1,9
	2012	QI	1,3	0,5	3,3	1,5	6,1	5,7	0,1	1,6
		QII	1,2	0,5	3,1	1,4	6,5	6,0	0,3	1,7
		QIII	1,2	0,5	2,4	1,3	7,0	6,4	0,4	1,6
		QIV	1,3	0,6	2,1	1,3	7,1	6,4	0,4	1,6

GROSS DOMESTIC PRODUCT AND COMPONENTS IN THE EURO AREA										
Annual average and quarterly rates of growht										
		Final Consumption		Gross Capital Formation	Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP	
		Private	Public							
ANNUAL AVERAGE	2006	2,1	2,2	6,5	3,0	8,9	8,6	0,2	3,2	
	2007	1,6	2,2	5,5	2,6	6,2	5,7	0,3	2,9	
	2008	0,3	2,3	-1,8	0,2	0,7	0,6	0,0	0,2	
	2009	-1,2	2,5	-14,9	-3,0	-13,1	-11,8	-0,6	-4,1	
	2010	0,8	0,7	2,2	1,0	11,1	9,4	0,8	1,7	
	2011	1,1	0,6	4,7	1,7	7,1	6,5	0,3	2 (±0,7)	
	2012	1,2	0,6	2,7	1,4	6,7	6,1	0,3	1,6 (±1)	
QUARTERLY RATES*	2010	QI	0,4	0,0	1,4	0,5	3,5	4,0	-0,2	0,3
		QII	0,2	0,2	3,5	0,8	4,2	4,0	0,2	1,0
		QIII	0,2	0,3	0,3	0,2	1,7	1,3	0,1	0,4
		QIV	0,4	0,2	-0,5	0,1	1,7	1,3	0,1	0,3
	2011	QI	0,3	0,1	2,4	0,6	1,9	1,8	0,2	0,8
		QII	0,3	0,1	1,0	0,4	1,3	1,2	-0,1	0,3
		QIII	0,2	0,1	1,3	0,4	1,1	1,1	0,0	0,4
		QIV	0,3	0,1	0,6	0,3	1,7	1,6	0,1	0,4
	2012	QI	0,4	0,3	0,4	0,4	1,8	1,7	0,1	0,5
		QII	0,3	0,1	0,8	0,3	1,6	1,5	0,1	0,4
		QIII	0,2	0,1	0,6	0,3	1,6	1,5	0,1	0,4
		QIV	0,4	0,2	0,3	0,3	1,8	1,6	0,1	0,4

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1) Contribution to GDP growth

*Year-on-year rates

Source: EUROSTAT & BIAM (UC3M)

Date: June 22, 2011



GROSS DOMESTIC PRODUCT IN THE EURO AREA: SUPPLY

GROSS DOMESTIC PRODUCT AND COMPONENTS IN THE EURO AREA										
Annual average and annual rates of growth										
		GVA							Real GDP	
		Agriculture	Industry	Construction	Trade Services	Financial Services	Public Services	TOTAL		
ANNUAL AVERAGE	2006	-0,1	4,0	3,0	2,8	4,3	1,8	3,2	3,2	
	2007	1,2	3,2	2,4	3,7	4,0	1,6	3,0	2,9	
	2008	1,4	-2,7	-1,9	1,3	1,5	1,8	0,5	0,2	
	2009	2,8	-13,1	-6,1	-5,2	-1,6	1,3	-4,2	-4,1	
	2010	0,0	6,0	-4,1	2,3	0,9	0,8	1,7	1,7	
	2011	0,7	3,9	-0,1	2,1	2,1	0,7	1,9	2 (±0,7)	
	2012	-0,7	2,5	-1,1	1,7	2,4	0,8	1,6	1,6 (±1)	
ANNUAL RATES*	2010	QI	0,4	4,4	-6,6	1,3	0,3	1,1	1,0	0,8
		QII	-0,1	7,5	-4,1	2,6	0,5	0,9	2,0	2,0
		QIII	-0,9	5,8	-3,3	2,9	1,1	0,7	1,9	1,9
		QIV	0,7	6,3	-2,5	2,4	1,5	0,5	2,0	1,9
	2011	QI	0,6	5,8	2,2	2,3	1,5	0,7	2,2	2,4
		QII	1,3	2,6	-0,6	2,2	2,5	0,5	1,7	1,7
		QIII	1,3	4,0	-1,8	1,6	2,2	0,8	1,8	1,8
		QIV	-0,4	3,1	-0,2	2,4	2,4	0,8	1,9	1,9
	2012	QI	-1,4	1,4	-1,6	1,7	3,2	0,6	1,6	1,6
		QII	-1,1	3,4	-1,7	1,7	2,1	1,0	1,7	1,7
		QIII	-0,1	2,5	-0,6	1,8	2,2	0,7	1,6	1,6
		QIV	-0,2	2,5	-0,6	1,7	2,3	0,8	1,6	1,6

GROSS DOMESTIC PRODUCT AND COMPONENTS IN THE EURO AREA										
Annual average and quarterly rates of growht										
		GVA							Real GDP	
		Agriculture	Industry	Construction	Trade Services	Financial Services	Public Services	TOTAL		
ANNUAL AVERAGE	2006	-0,1	4,0	3,0	2,8	4,3	1,8	3,2	3,2	
	2007	1,2	3,2	2,4	3,7	4,0	1,6	3,0	2,9	
	2008	1,4	-2,7	-1,9	1,3	1,5	1,8	0,5	0,2	
	2009	2,8	-13,1	-6,1	-5,2	-1,6	1,3	-4,2	-4,1	
	2010	0,0	6,0	-4,1	2,3	0,9	0,8	1,7	1,7	
	2011	0,7	3,9	-0,1	2,1	2,1	0,7	1,9	2 (±0,7)	
	2012	-0,7	2,5	-1,1	1,7	2,4	0,8	1,6	1,6 (±1)	
QUARTERLY RATES*	2010	QI	0,7	2,4	-1,7	0,8	0,3	0,2	0,5	0,3
		QII	-0,8	2,0	0,9	1,1	0,3	0,3	0,8	1,0
		QIII	-0,5	0,7	-0,8	0,5	0,6	0,0	0,4	0,4
		QIV	1,3	1,1	-0,9	0,0	0,3	0,1	0,3	0,3
	2011	QI	0,6	1,9	3,0	0,7	0,2	0,3	0,8	0,8
		QII	-0,1	-1,1	-1,8	1,0	1,3	0,0	0,3	0,3
		QIII	-0,4	2,1	-2,0	0,0	0,3	0,3	0,4	0,4
		QIV	-0,4	0,2	0,7	0,7	0,5	0,1	0,4	0,4
	2012	QI	-0,5	0,2	1,5	0,0	1,1	0,1	0,5	0,5
		QII	0,2	0,8	-1,9	0,9	0,2	0,4	0,4	0,4
		QIII	0,6	1,2	-0,8	0,1	0,5	0,0	0,4	0,4
		QIV	-0,5	0,2	0,7	0,6	0,5	0,3	0,4	0,4

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1) Contribution to GDP growth

* Year-on-year rates

Source: EUROSTAT & BIAM (UC3M)

Date: June 22, 2011



INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN THE EURO AREA									
Annual rates of growth									
		Consumer Goods			Capital Goods	Intermediate Goods	Energy	TOTAL	
		Durable	Non Durable	Total					
ANNUAL AVERAGE RATES	2006	4,6	2,5	2,8	6,0	4,8	0,4	4,2	
	2007	1,3	2,6	2,4	6,8	4,0	-0,7	3,9	
	2008	-5,3	-1,3	-1,9	0,1	-3,4	0,2	-1,6	
	2009	-17,3	-2,9	-4,9	-20,8	-19,0	-5,3	-14,8	
	2010	2,7	3,4	3,3	9,5	10,1	3,7	7,4	
	2011	3,5	2,2	2,4	10,1	7,8	-2,9	5.8 (±1.8)	
	2012	-0,2	1,7	1,5	8,4	2,5	-0,4	3.6 (±2.4)	
ANNUAL RATES*	2010	QI	-0,1	3,9	3,4	3,1	8,9	3,3	5,2
		QII	5,0	3,6	3,8	9,7	14,2	5,3	9,3
		QIII	3,9	3,1	3,2	10,2	9,4	1,5	7,1
		QIV	2,0	2,9	2,8	14,4	7,8	4,8	8,1
	2011	QI	2,8	1,3	1,5	12,8	9,2	-2,0	6,6
		QII	3,0	2,5	2,5	10,3	6,8	-3,6	5,6
		QIII	5,4	2,5	2,8	10,6	8,6	-1,5	6,7
		QIV	3,1	2,6	2,7	7,4	6,6	-4,2	4,3
	2012	QI	1,3	1,9	1,8	8,8	3,9	-1,1	3,9
		QII	-0,2	1,7	1,4	8,6	2,7	0,7	4,0
		QIII	-1,1	1,6	1,3	8,2	1,8	-0,4	3,4
		QIV	-0,9	1,6	1,3	8,0	1,5	-0,4	3,3

INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA							
year-on-year rates of growth							
	2006	2007	2008	2009	2010	2011	2012
January	3,1	4,0	4,1	-16,7	2,7	6,3	4,2
February	3,3	4,9	3,2	-18,9	4,8	7,8	3,6
March	3,9	4,8	2,0	-19,3	7,9	5,8	4,0
April	2,6	3,4	4,5	-21,1	9,5	5,2	4,3
May	6,0	3,6	-0,4	-17,7	10,0	5,0	3,9
June	4,9	3,4	-0,2	-16,9	8,6	6,7	3,7
July	3,9	4,2	-1,0	-15,6	7,6	6,7	3,5
August	6,4	4,7	-1,2	-14,8	8,6	6,2	3,2
September	4,1	3,6	-2,4	-12,7	5,6	7,2	3,4
October	4,1	4,8	-5,6	-10,9	7,4	5,9	3,3
November	3,2	3,4	-8,8	-6,7	8,0	4,4	3,2
December	5,3	1,9	-12,6	-3,5	8,9	2,6	3,3

Data adjusted for seasonality and working days effect

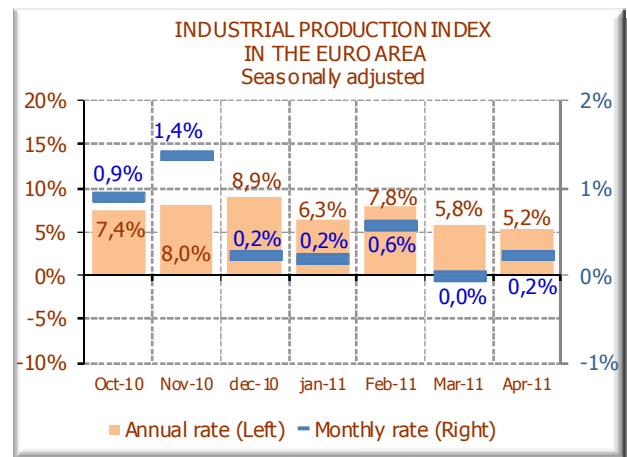
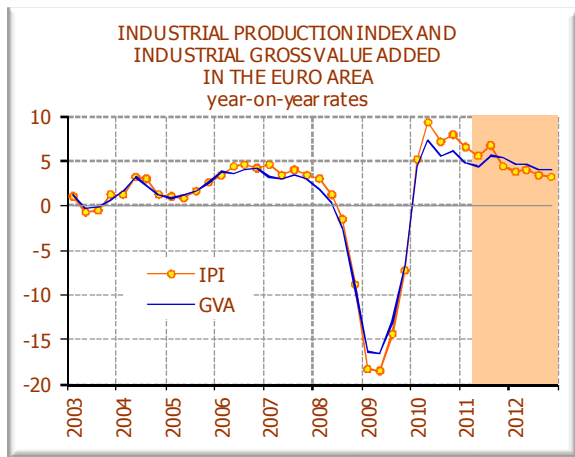
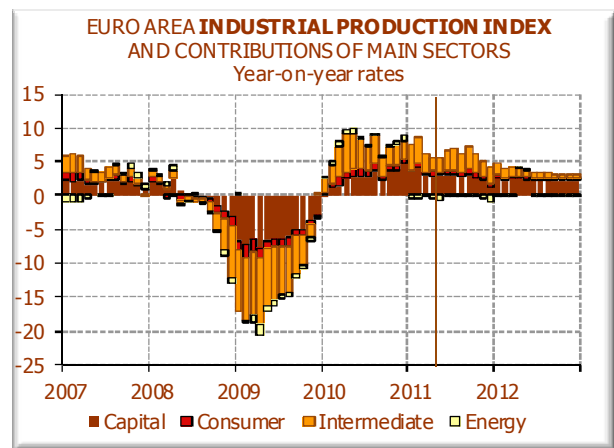
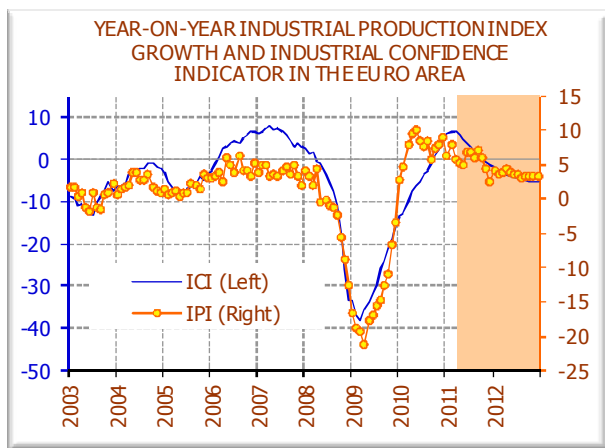
The figures in the shaded area are forecasts

*Year-on-year rates

Source: EUROSTAT & BIAM (UC3M)

Date: June 22, 2011





CONFIDENCE INDICATORS IN THE EURO AREA					
		jun-11	may-11	Average 12 months	jan08 - last.obs
INDUSTRY	ICI	3,2	3,8	2,0	
	PMI manufacturing	52,0	54,6	56,2	
	Employment	6,0	6,4	1,5	
	Sales prices	16,0	20,3	13,9	
	Production	12,0	13,0	14,4	
	Orderbooks	-1,6	-2,7	-9,8	
	Export Orderbooks	-2,2	-0,8	-9,3	
	New Orders Expectations ¹	18,6	23,8	19,9	
	Export Vol Expectations ¹	16,2	21,4	14,5	
	Capacity Utilization ¹	81,3	80,3	77,7	
GENERAL	Business Climate (ncve)	0,9	1,0	1,0	
	Economic Sentiment	105,1	105,5	104,7	
	Sentix - Sit Actual (ncve)	18,5	23,8	15,8	
	IFO	114,5	114,2	112,7	

1. Quarterly data, referred to may-11 and feb-11, respectively

Source: Datastream & BIAM (UC3M)

Date: June 30, 2011



II.2. INFLATION

The year-on-year core inflation rate in May, 2.1%, was in line with our forecasts, with the small upwards innovation in services nearly completely counteracting the moderate negative innovations in the other groups. The downwards innovation, however, together with more recent information, had led to a change of assumption in tobacco prices, which is responsible for the 1 tenth of a point reduction in our core inflation forecasts for 2011 and 2012, to 1.6% (± 0.25) and 1.3% (± 0.98), respectively.

The other significant innovation in the core component was car prices, which unexpectedly stabilised in May. In view of the domestic demand and the sector's current problems, there is no other option than to make a further effort in prices.

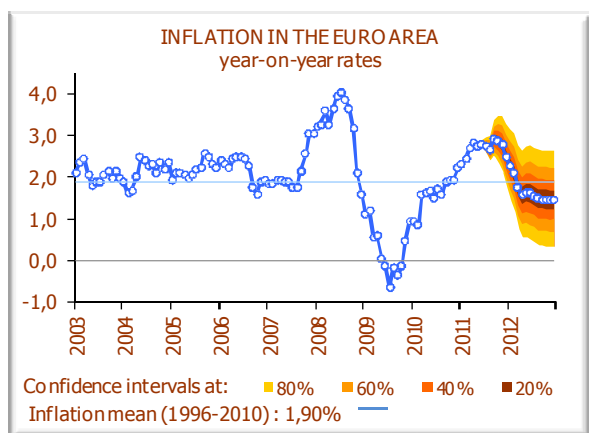
In the residual component, fish and fuel prices grew significantly more than expected, leading to an upwards revision in our forecast for inflation in

unprocessed food and energy. The revision compensated falling inflation expectations for the core component, maintaining the total inflation forecasts for 2011 and 2012 at 3.1% (± 0.98) and 1.6% (± 1.45), respectively.

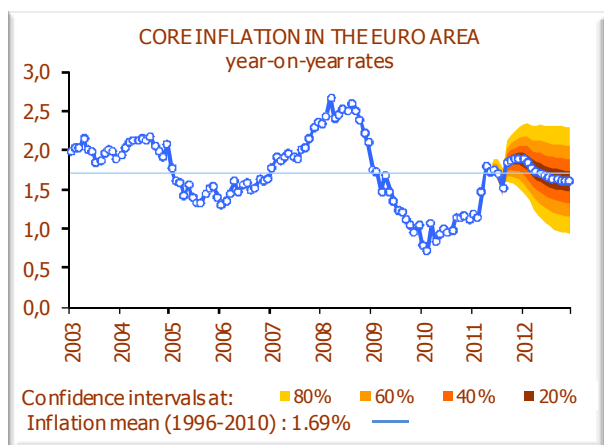
According to our estimates, May saw the peak of core inflation, which will now start to fall to a year-on-year rate of 1.2% by the end of 2012. The end of the effect of last July's VAT increase will be clearly seen in the core component as, in the same month this year, the year-on-year rate of variation will remain constant at around 1.4% for four consecutive months.

Trichet is pointing at a new ECB rate increase in July. Maintenance of an expansionary policy by the Fed, the BoE and the BoJ will continue to add upwards pressure to the euro to cover the euro area against the recent, and possibly future, increase in energy prices.

Graph II.2.1



Graph II.2.2



Source: EUROSTAT & BIAM(UC3M)

Date: June 16, 2011

Graph II.2.3

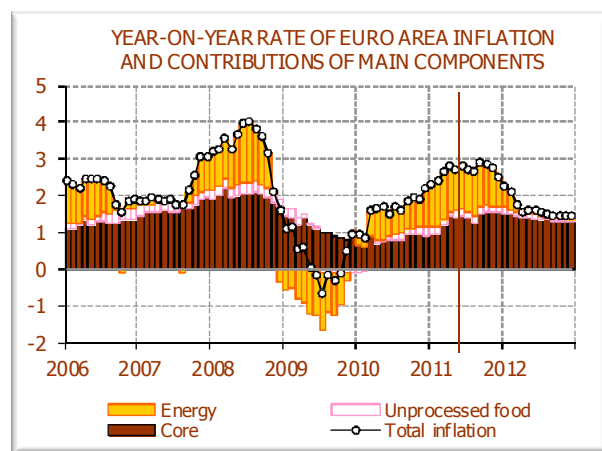


Table II.2.1

INFLATION IN THE EURO AREA					
HICP	Annual rates 2011		Annual average rates		
	May	June	2009	2010	2011 2012
Core 82.6%	1.7	1.8 (± 0.13)	1.3	1.0	1.7 (± 0.18) (± 0.61)
Total 100%	2.7	2.8 (± 0.11)	0.3	1.6	2.7 (± 0.31) (± 0.95)

* Intervals at 80% of confidence calculated with historical errors.

- (1) Year-on-year rate anterior
(2) Yearly average rate

Source: EUROSTAT & BIAM(UC3M)

Date: June 16, 2011



FORECASTS ERRORS BY SECTORS, COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK

INFLATION IN THE EURO AREA Annual rates, May, 2011				
Harmonized Index of Consumer Prices HICP	Weights 2011	Observed	Forecasts	Confidence Intervals*
Processed Food	119,46	3,15	3,04	± 0.38
Tobacco	24,79	4,78	4,56	
Processed food excluding tobacco	94,67	2,74	2,65	
Non-energy Industrial goods	289,07	1,04	1,04	± 0.21
Services	414,32	1,82	1,94	± 0.14
CORE	822,85	1,73	1,77	± 0.13
Non-processed food	73,52	2,35	2,33	± 0.72
Energy	103,88	11,10	11,13	± 0.86
RESIDUAL	177,40	7,39	7,40	± 0.57
TOTAL	1000	2,72	2,77	± 0.12

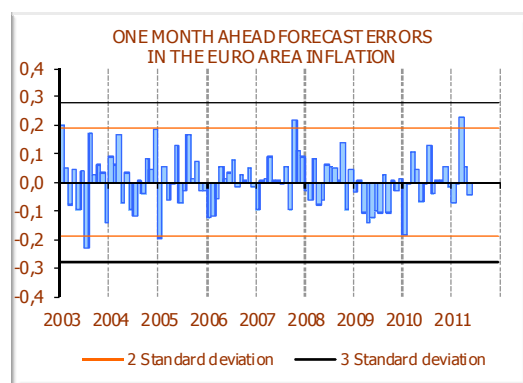
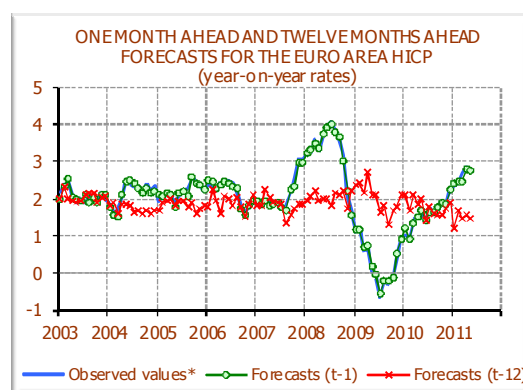
* Confidence intervals at 80% calculated with historical errors

HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK Annual rates, May, 2011				
	Weights 2011 Euro area	Observed Monthly Rate	Forecast	Confidence Intervals at 80%
Germany	258,57	2,4	2,2	± 0.29
France	207,49	2,2	2,2	± 0.20
Italy	184,74	3,0	2,9	± 0.23
Spain	126,63	3,4	3,2	± 0.15
Netherlands	48,29	2,4	2,3	± 0.33
Belgium	32,99	3,1	3,3	± 0.32
Austria	31,77	3,7	3,9	± 0.37
Greece	38,41	3,1	3,5	± 0.78
Portugal	21,76	3,7	4,0	± 0.66
Finland	16,56	3,4	3,6	± 0.37
Ireland	12,81	1,2	1,4	± 0.30
Slovakia	7,38	4,2	4,0	
Slovenia	4,11	2,4	2,2	± 0.24
Luxembourg	3,12	3,8	4,0	± 0.32
Cyprus	2,97	4,1	3,6	
Estonia	1,49	5,5	5,7	
Malta	0,91	2,5	2,0	
United Kingdom		4,5	4,1	± 0.33
Sweden		1,7	1,9	± 0.50
Denmark		3,1	3,1	± 0.27

Source: EUROSTAT & BIAM(UC3M)

Date: June 16, 2011

Our total and core inflation forecasts for 2011 and 2012 remain unaltered this month



HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA																
Annual rates of growth																
		HICP														
		Core				TOTAL		Residual		TOTAL		TOTAL		80 % Confidence Intervals*		
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services			Non processed food	Energy							
Weights 2011		9,5%	2,5%	28,9%	41,4%	82,3%		7,4%	10,4%	17,7%	100%					
ANNUAL AVERAGE RATE	2002	2,4	5,9	1,5	3,1	2,5		3,1	-0,6	1,2	2,2					
	2003	2,1	8,4	0,8	2,5	2,0		2,1	3,0	2,6	2,1					
	2004	1,3	12,2	0,8	2,6	2,1		0,6	4,5	2,6	2,1					
	2005	0,5	7,8	0,3	2,3	1,5		0,8	10,1	5,7	2,2					
	2006	1,6	3,9	0,6	2,0	1,5		2,8	7,7	5,5	2,2					
	2007	2,3	4,5	1,0	2,5	2,0		3,0	2,6	2,8	2,1					
	2008	6,8	3,2	0,8	2,6	2,4		3,5	10,3	7,3	3,3					
	2009	0,2	4,7	0,6	2,0	1,3		0,2	-8,1	-4,5	0,3					
	2010	-0,2	5,5	0,5	1,4	1,0		1,3	7,4	4,7	1,6					
	2011	2,8	5,0	0,9	1,8	1,7	± 0,18	2,4	11,4	7,6	2,7	± 0,31				
2012	2,3	5,7	1,2	1,7	1,7	± 0,61	1,5	1,4	1,4	1,7	± 0,95					
ANNUAL RATES (year-on-year rates)	2010	January	-0,8	6,5	-0,1	1,4	0,8		-1,1	4,0	1,8	0,9				
		February	-0,8	6,3	-0,1	1,3	0,7		-1,0	3,3	1,4	0,8				
		March	-0,7	5,9	0,5	1,6	1,1		0,3	7,2	4,2	1,6				
		April	-0,7	6,2	0,4	1,2	0,8		1,2	9,1	5,6	1,6				
		May	-0,5	6,6	0,5	1,3	0,9		0,7	9,2	5,5	1,7				
		June	-0,3	5,4	0,6	1,3	1,0		1,1	6,2	4,0	1,5				
		July	-0,1	4,7	0,4	1,4	1,0		2,1	8,1	5,5	1,7				
		August	0,0	4,7	0,3	1,4	1,0		2,5	6,1	4,5	1,6				
		September	0,1	4,6	0,9	1,4	1,2		2,3	7,7	5,4	1,9				
		October	0,3	4,9	0,8	1,4	1,1		2,3	8,5	5,9	1,9				
		November	0,4	4,9	0,9	1,3	1,2		2,6	7,9	5,6	1,9				
		December	0,5	5,4	0,7	1,3	1,1		3,2	11,0	7,6	2,2				
	2011	January	0,8	5,5	0,5	1,5	1,2		2,2	12,0	7,7	2,3				
		February	1,2	5,3	0,1	1,6	1,1		2,7	13,1	8,6	2,4				
		March	1,7	5,4	0,9	1,6	1,5		2,2	13,0	8,4	2,7				
		April	2,3	4,9	1,0	2,0	1,8		1,4	12,5	7,7	2,8				
		May	2,7	4,8	1,0	1,8	1,7		2,4	11,1	7,4	2,7				
		June	3,0	4,4	1,1	1,8	1,8	± 0,13	2,6	11,3	7,6	2,8	± 0,11			
		July	3,3	4,6	0,8	1,8	1,7	± 0,18	2,4	11,4	7,6	2,7	± 0,23			
		August	3,4	4,7	0,3	1,7	1,5	± 0,23	2,5	12,0	8,0	2,7	± 0,34			
		September	3,6	5,1	1,1	1,8	1,8	± 0,27	2,8	11,7	8,0	2,9	± 0,46			
		October	3,7	5,2	1,2	1,8	1,9	± 0,32	2,9	11,1	7,7	2,9	± 0,58			
		November	3,7	5,0	1,2	1,8	1,9	± 0,36	2,5	10,2	7,0	2,8	± 0,69			
		December	3,7	4,8	1,2	1,8	1,9	± 0,40	1,9	7,7	5,3	2,5	± 0,78			
	2012	January	3,5	4,9	1,2	1,8	1,9	± 0,45	2,5	5,2	4,1	2,3	± 0,87			
		February	3,4	5,1	1,2	1,8	1,8	± 0,50	1,7	4,4	3,3	2,1	± 0,95			
		March	3,1	5,9	1,2	1,6	1,8	± 0,54	1,5	1,7	1,6	1,7	± 1,02			
		April	2,7	6,0	1,2	1,6	1,7	± 0,58	1,8	0,2	0,8	1,6	± 1,07			
		May	2,4	5,9	1,2	1,6	1,7	± 0,61	1,7	0,9	1,2	1,6	± 1,12			
		June	2,2	5,9	1,2	1,6	1,7	± 0,63	1,5	1,1	1,3	1,6	± 1,16			
		July	2,0	5,9	1,2	1,6	1,7	± 0,64	1,4	0,9	1,1	1,6	± 1,16			
		August	1,8	5,9	1,2	1,6	1,6	± 0,67	1,3	0,5	0,8	1,5	± 1,17			
		September	1,7	5,9	1,2	1,6	1,6	± 0,68	1,2	0,5	0,8	1,5	± 1,17			
		October	1,6	5,8	1,3	1,6	1,6	± 0,68	1,1	0,6	0,8	1,5	± 1,17			
		November	1,5	5,6	1,3	1,6	1,6	± 0,68	1,1	0,6	0,8	1,5	± 1,17			
		December	1,5	5,7	1,3	1,6	1,6	± 0,69	1,0	0,6	0,8	1,5	± 1,17			

* Confidence intervals calculated with historical errors

The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: June 16, 2011



HARMONIZED INDEX OF CONSUMER PRICES AND COMPONENTS IN THE EURO AREA											
Monthly rates of growth											
			Harmonized Index of Consumer Prices								
			Core				TOTAL	Residual		TOTAL	TOTAL
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services		Non processed food	Energy		
Weights 2011			9,5%	2,5%	28,9%	41,4%	82,3%	7,4%	10,4%	17,7%	100%
MONTHLY RATES (Growth of the month over the previous month)	January	2009	0,2	0,4	-2,6	-0,4	-1,1	1,0	0,0	0,4	-0,8
		2010	0,0	0,4	-3,1	-0,5	-1,3	1,5	2,1	1,8	-0,8
		2011	0,3	0,5	-3,3	-0,3	-1,3	0,5	3,0	2,0	-0,7
		2012	0,2	0,6	-3,3	-0,3	-1,3	1,1	0,6	0,8	-0,9
	February	2009	-0,1	0,5	0,5	0,5	0,4	0,0	0,5	0,3	0,4
		2010	0,0	0,2	0,5	0,4	0,4	0,2	-0,1	0,0	0,3
		2011	0,3	0,1	0,1	0,5	0,3	0,7	0,9	0,8	0,4
		2012	0,2	0,3	0,1	0,5	0,3	-0,1	0,0	0,0	0,2
	March	2009	-0,1	0,5	1,8	-0,1	0,6	-0,3	-1,2	-0,8	0,4
		2010	0,0	0,1	2,5	0,2	1,0	0,9	2,6	1,8	1,1
		2011	0,5	0,1	3,3	0,2	1,3	0,5	2,5	1,7	1,4
		2012	0,2	0,9	3,3	0,1	1,2	0,3	-0,1	0,1	1,0
	April	2009	-0,1	0,4	0,6	0,4	0,4	-0,1	0,2	0,1	0,4
		2010	-0,1	0,7	0,6	0,0	0,2	0,8	2,0	1,5	0,4
		2011	0,4	0,2	0,7	0,4	0,5	-0,1	1,5	0,8	0,6
		2012	0,1	0,3	0,8	0,3	0,5	0,2	-0,1	0,1	0,4
	May	2009	-0,2	0,2	0,0	0,0	0,0	0,0	0,4	0,2	0,1
		2010	0,0	0,6	0,1	0,1	0,1	-0,5	0,6	0,1	0,1
		2011	0,4	0,5	0,1	-0,1	0,1	0,5	-0,6	-0,2	0,0
		2012	0,1	0,3	0,1	0,0	0,0	0,4	0,0	0,2	0,1
	June	2009	-0,2	2,0	-0,3	0,1	0,0	-0,5	2,5	1,2	0,2
		2010	0,1	0,9	-0,2	0,2	0,1	-0,1	-0,4	-0,3	0,0
		2011	0,4	0,5	-0,2	0,2	0,1	0,2	-0,2	-0,1	0,1
		2012	0,1	0,5	-0,2	0,2	0,1	0,0	0,0	0,0	0,0
	July	2009	-0,1	0,7	-2,5	0,8	-0,5	-1,2	-1,8	-1,5	-0,7
		2010	0,1	0,1	-2,7	0,9	-0,5	-0,3	0,0	-0,1	-0,4
		2011	0,3	0,3	-3,0	0,8	-0,6	-0,5	0,2	-0,1	-0,5
		2012	0,1	0,3	-3,0	0,8	-0,6	-0,7	0,0	-0,3	-0,5
	August	2009	0,0	0,2	0,5	0,2	0,3	-1,1	1,8	0,5	0,3
		2010	0,2	0,1	0,4	0,3	0,3	-0,7	-0,1	-0,4	0,2
		2011	0,3	0,2	0,0	0,2	0,2	-0,6	0,4	0,0	0,1
		2012	0,2	0,2	0,0	0,2	0,1	-0,7	0,0	-0,3	0,1
	September	2009	-0,1	0,0	1,5	-0,7	0,2	0,1	-1,2	-0,7	0,0
		2010	0,0	-0,1	2,1	-0,8	0,3	-0,1	0,3	0,1	0,3
		2011	0,2	0,4	2,9	-0,7	0,7	0,3	0,0	0,1	0,6
		2012	0,0	0,4	2,9	-0,7	0,6	0,2	0,0	0,1	0,5
	October	2009	0,0	0,1	0,7	0,1	0,3	0,1	-0,2	-0,1	0,2
		2010	0,1	0,4	0,7	0,0	0,3	0,1	0,6	0,4	0,3
		2011	0,2	0,5	0,8	0,0	0,3	0,2	0,0	0,1	0,3
		2012	0,1	0,4	0,8	0,0	0,3	0,1	0,0	0,1	0,3
	November	2009	0,0	0,8	0,1	-0,2	0,0	0,3	1,4	0,9	0,1
		2010	0,2	0,8	0,2	-0,3	0,0	0,6	0,8	0,7	0,1
		2011	0,2	0,6	0,2	-0,2	0,0	0,2	0,0	0,1	0,0
		2012	0,1	0,4	0,2	-0,2	0,0	0,2	0,0	0,1	0,0
	December	2009	-0,1	0,7	0,0	0,8	0,4	0,2	-0,5	-0,2	0,3
		2010	0,1	1,1	-0,1	0,8	0,4	0,7	2,3	1,6	0,6
		2011	0,1	0,9	-0,1	0,8	0,4	0,1	0,0	0,0	0,3
		2012	0,0	1,0	-0,1	0,8	0,4	0,1	0,1	0,1	0,3

*The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: June 16, 2011



HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK																						
Annual rates of growth																						
		Euro Area																United Kingdom Sweden Denmark				
		Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Estonia				Malta	
Weights 2011 %		25,9	20,7	18,5	12,7	4,8	3,3	3,2	3,8	2,2	1,7	1,3	0,7	0,4	0,3	0,3	0,1	0,1				
ANNUAL AVERAGE RATE	2001	1,9	1,8	2,3	2,8	5,1	2,4	2,3	3,7	4,4	2,7	4,0	7,2	8,6	2,4	2,0	5,6	2,5	1,2	2,7	2,3	
	2002	1,4	1,9	2,6	3,6	3,9	1,6	1,7	3,9	3,7	2,0	4,7	3,5	7,5	2,1	2,8	3,6	2,6	1,3	1,9	2,4	
	2003	1,0	2,2	2,8	3,1	2,2	1,5	1,3	3,4	3,3	1,3	4,0	8,4	5,7	2,5	4,0	1,4	1,9	1,4	2,3	2,0	
	2004	1,8	2,3	2,3	3,1	1,4	1,9	2,0	3,0	2,5	0,1	2,3	7,5	3,7	3,2	1,9	3,0	2,7	1,3	1,0	0,9	
	2005	1,9	1,9	2,2	3,4	1,5	2,5	2,1	3,5	2,1	0,8	2,2	2,8	2,5	3,8	2,0	4,1	2,5	2,0	0,8	1,7	
	2006	1,8	1,9	2,2	3,6	1,7	2,3	1,7	3,3	3,0	1,3	2,7	4,3	2,5	3,0	2,2	4,4	2,6	2,3	1,5	1,9	
	2007	2,3	1,6	2,0	2,8	1,6	1,8	2,2	3,0	2,4	1,6	2,9	1,9	3,8	2,7	2,2	6,7	0,7	2,3	1,7	1,7	
	2008	2,8	3,2	3,5	4,1	2,2	4,5	3,2	4,2	2,7	3,9	3,1	3,9	5,5	4,1	4,4	10,6	4,7	3,6	3,3	3,6	
	2009	0,2	0,1	0,8	-0,2	1,0	0,0	0,4	1,3	-0,9	1,6	-1,7	0,9	0,9	0,0	0,2	0,2	1,8	2,2	1,9	1,1	
	2010	1,2	1,7	1,6	2,0	0,9	2,3	1,7	4,7	1,4	1,7	-1,6	0,7	2,1	2,8	2,6	2,7	2,0	3,3	1,9	2,2	
	2011	2,5	2,2	2,7	3,1	2,3	3,5	3,6	3,5	3,6	3,3	1,5	4,2	2,7	4,2	3,7	5,5	2,5	4,4	1,7	2,8	
	2012	1,3	1,3	1,8	1,7	1,6	2,7	2,8	3,7	2,4	2,0	2,0	4,2	2,8	3,8	3,5	5,0	2,3	3,2	1,8	2,2	
ANNUAL RATES OF GROWTH	2010	January	0,8	1,2	1,3	0,7	0,4	0,8	1,2	2,3	0,1	1,6	-2,4	-0,2	1,8	3,0	2,5	-1,0	1,2	3,4	2,7	1,9
		February	0,5	1,4	1,1	0,4	0,3	0,8	0,9	2,9	0,2	1,3	-2,4	-0,2	1,6	2,3	2,8	-0,3	0,7	3,0	2,8	1,8
		March	1,2	1,7	1,4	2,7	0,7	1,9	1,8	3,9	0,6	1,5	-2,4	0,3	1,8	3,2	2,3	1,4	0,6	3,4	2,5	2,1
		April	1,0	1,9	1,6	2,4	0,6	2,1	1,8	4,7	0,7	1,6	-2,5	0,7	2,7	3,1	2,5	2,5	0,8	3,7	2,1	2,4
		May	1,2	1,9	1,6	2,5	0,4	2,5	1,7	5,3	1,1	1,4	-1,9	0,7	2,4	3,1	1,8	2,8	1,8	3,3	1,9	1,9
		June	0,8	1,7	1,5	2,1	0,2	2,7	1,8	5,2	1,1	1,3	-2,0	0,7	2,1	2,3	2,1	3,4	1,8	3,2	1,6	1,7
		July	1,2	1,9	1,8	1,8	1,3	2,4	1,7	5,5	1,9	1,3	-1,2	1,0	2,3	2,9	2,7	2,8	2,5	3,1	1,4	2,1
		August	1,0	1,6	1,8	1,6	1,2	2,4	1,6	5,6	2,0	1,3	-1,2	1,1	2,4	2,5	3,4	2,8	3,0	3,1	1,1	2,3
		September	1,3	1,8	1,6	2,8	1,4	2,9	1,7	5,7	2,0	1,4	-1,0	1,1	2,1	2,6	3,6	3,8	2,4	3,0	1,5	2,5
		October	1,3	1,8	2,0	2,5	1,4	3,1	2,0	5,2	2,3	2,3	-0,8	1,0	2,1	2,9	3,2	4,5	2,2	3,1	1,6	2,4
		November	1,6	1,8	1,9	2,3	1,4	3,0	1,8	4,8	2,2	2,4	-0,8	1,0	1,6	2,5	1,7	5,0	3,4	3,2	1,7	2,5
		December	1,9	2,0	2,1	2,9	1,8	3,4	2,2	5,2	2,4	2,8	-0,2	1,3	2,2	3,1	1,9	5,4	4,0	3,7	2,1	2,8
	2011	January	2,0	2,0	1,9	3,0	2,0	3,7	2,5	4,9	3,6	3,1	0,2	3,2	2,3	3,4	3,0	5,1	3,3	4,0	1,4	2,6
		February	2,2	1,8	2,1	3,4	2,0	3,5	3,1	4,2	3,5	3,5	0,9	3,5	2,0	3,9	3,1	5,5	2,7	4,3	1,2	2,6
		March	2,3	2,2	2,8	3,3	2,0	3,5	3,3	4,3	3,9	3,5	1,2	3,8	2,4	4,0	3,2	5,1	2,8	4,1	1,4	2,5
		April	2,7	2,2	2,9	3,5	2,2	3,3	3,7	3,7	4,0	3,4	1,5	3,9	2,0	4,0	3,5	5,4	2,4	4,5	1,8	2,8
		May	2,4	2,2	3,0	3,4	2,4	3,1	3,7	3,1	3,7	3,4	1,2	4,2	2,4	3,8	4,1	5,5	2,5	4,5	1,7	3,1
		June	2,6	2,2	2,9	3,3	2,6	3,5	3,7	3,2	3,8	3,4	1,4	4,3	2,7	4,2	4,0	5,5	2,6	4,5	1,9	3,2
		July	2,6	2,2	2,8	3,1	2,4	4,0	3,8	3,0	3,4	3,6	1,5	4,4	3,0	4,0	3,9	5,7	2,4	4,6	2,0	3,0
		August	2,5	2,2	2,7	3,1	2,4	3,7	3,8	2,9	3,4	3,4	1,7	4,6	2,8	4,3	3,5	6,1	2,1	4,5	2,1	2,6
		September	2,8	2,4	3,0	3,1	2,4	3,6	3,8	3,0	3,8	3,5	1,9	4,7	3,1	4,6	3,4	5,7	2,5	4,7	1,9	2,8
		October	2,8	2,4	3,0	3,0	2,3	3,5	3,7	3,2	3,5	3,1	2,0	4,8	3,1	4,7	3,7	5,5	2,8	4,6	1,9	2,9
		November	2,7	2,3	2,9	2,8	2,3	3,3	3,8	3,4	3,4	2,8	2,1	4,8	3,1	4,8	4,7	5,6	2,1	4,4	1,8	2,8
		December	2,4	2,1	2,7	2,3	2,0	3,1	3,6	3,2	3,2	2,4	2,1	4,8	2,8	4,5	4,4	5,5	1,9	3,9	1,6	2,6
	2012	January	2,1	2,0	2,6	1,9	2,0	2,9	3,4	3,3	2,6	2,1	2,3	4,0	2,9	4,3	3,8	6,0	2,0	3,4	2,0	2,5
		February	1,9	1,8	2,3	1,7	1,9	2,9	3,1	3,5	2,7	1,9	2,0	4,1	3,1	4,0	3,7	5,7	2,4	3,3	2,0	2,3
		March	1,4	1,4	2,0	1,6	1,8	2,7	3,0	3,4	2,2	1,9	1,9	4,1	2,9	3,7	3,7	5,2	2,3	3,4	2,0	2,3
		April	1,1	1,2	1,9	1,5	1,7	2,8	2,8	3,7	2,3	1,9	1,9	4,1	2,9	3,6	3,6	4,8	2,5	3,0	1,8	2,1
		May	1,3	1,3	1,7	1,6	1,6	2,8	2,8	3,9	2,4	2,0	1,9	4,1	2,8	3,7	3,4	4,8	2,2	3,1	1,8	2,1
		June	1,2	1,3	1,7	1,7	1,6	2,6	2,8	3,8	2,4	2,0	1,9	4,2	2,7	3,6	3,5	4,8	2,2	3,1	1,7	2,1
		July	1,1	1,2	1,7	1,7	1,5	2,5	2,7	3,9	2,4	2,0	2,0	4,2	2,7	3,7	3,4	4,8	2,2	3,1	1,7	2,1
		August	1,1	1,2	1,6	1,7	1,5	2,5	2,7	3,9	2,4	2,0	2,0	4,3	2,7	3,6	3,6	4,8	2,2	3,1	1,6	2,1
		September	1,1	1,1	1,6	1,7	1,5	2,5	2,7	3,9	2,4	2,0	2,0	4,4	2,7	3,7	3,6	4,8	2,2	3,1	1,7	2,1
		October	1,1	1,1	1,6	1,8	1,5	2,5	2,8	3,8	2,4	2,0	2,0	4,5	2,7	3,7	3,4	4,8	2,2	3,1	1,7	2,1
		November	1,0	1,1	1,5	1,8	1,5	2,5	2,7	3,7	2,4	2,0	2,1	4,5	2,7	3,7	2,9	4,8	2,2	3,1	1,8	2,1
		December	1,0	1,1	1,5	1,8	1,5	2,5	2,8	3,8	2,4	2,0	2,1	4,5	2,7	3,8	3,1	4,8	2,2	3,1	1,8	2,1

* The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: June 16, 2011



HARMONIZED INDICES OF CONSUMER PRICES BY COUNTRIES IN THE EURO AREA, UNITED KINGDOM, SWEDEN AND DENMARK																						
Monthly rates of growth																						
			Euro Area																United Kingdom Sweden Denmark			
			Germany	France	Italy	Spain	Netherlands	Belgium	Austria	Greece	Portugal	Finland	Ireland	Slovakia	Slovenia	Luxembourg	Cyprus	Estonia				Malta
Weights 2011 %			25,9	20,7	18,5	12,7	4,8	3,3	3,2	3,8	2,2	1,7	1,3	0,7	0,4	0,3	0,3	0,1	0,1			
MONTHLY RATES (Growth of the month over the previous month)	January	2009	-0,6	-0,4	-1,7	-1,3	0,0	-1,9	-0,6	-0,5	-0,9	0,3	-0,8	0,3	-0,3	-1,1	-2,3	-0,6	-2,2	-0,7	-0,1	-0,4
		2010	-0,6	-0,2	-1,5	-1,5	-0,3	-1,4	-0,4	-0,8	-0,6	0,1	-0,7	0,1	-0,6	-0,6	-1,4	0,3	-0,5	-0,2	-0,2	0,3
		2011	-0,5	-0,3	-1,6	-1,3	-0,1	-1,2	-0,1	-1,0	0,5	0,4	-0,3	2,1	-0,4	-0,3	-0,4	0,0	-1,3	0,1	-0,9	0,1
		2012	-0,8	-0,4	-1,8	-1,7	-0,1	-1,4	-0,2	-0,9	-0,1	0,2	-0,1	1,3	-0,4	-0,5	-0,9	0,4	-1,1	-0,3	-0,6	0,0
	February	2009	0,7	0,4	0,2	0,0	1,0	2,3	0,5	-1,1	0,0	0,7	0,2	0,0	0,6	1,8	0,0	-0,4	0,8	0,8	0,6	1,0
		2010	0,4	0,6	0,0	-0,2	0,9	2,3	0,2	-0,6	0,0	0,4	0,2	0,0	0,3	1,1	0,3	0,3	0,3	0,4	0,6	0,9
		2011	0,6	0,5	0,2	0,1	0,9	2,2	0,8	-1,3	-0,1	0,8	0,9	0,3	0,0	1,5	0,4	0,7	-0,3	0,8	0,5	1,0
		2012	0,4	0,3	-0,1	-0,1	0,8	2,2	0,5	-1,1	0,0	0,6	0,6	0,4	0,2	1,2	0,3	0,4	0,1	0,6	0,5	0,8
	March	2009	-0,2	0,2	1,2	0,2	1,2	-0,6	0,2	2,0	0,8	0,4	0,1	-0,3	0,8	-0,1	1,4	-0,5	1,5	0,2	0,5	0,4
		2010	0,6	0,5	1,5	2,4	1,5	0,5	1,0	3,1	1,2	0,6	0,1	0,1	1,0	0,7	0,9	1,2	1,4	0,5	0,3	0,7
		2011	0,6	0,9	2,2	2,4	1,4	0,4	1,2	3,2	1,6	0,6	0,5	0,4	1,4	0,8	1,0	0,8	1,5	0,3	0,4	0,6
		2012	0,2	0,4	1,8	2,2	1,3	0,3	1,1	3,1	1,2	0,5	0,4	0,4	1,1	0,5	1,0	0,4	1,4	0,3	0,3	0,6
	April	2009	0,1	0,1	0,6	1,0	0,3	0,3	0,2	0,4	0,4	0,2	0,1	-0,1	0,2	0,5	0,9	-0,6	2,3	0,3	0,3	-0,1
		2010	-0,1	0,3	0,9	0,7	0,3	0,5	0,2	1,2	0,4	0,3	0,0	0,4	1,1	0,4	1,1	0,5	2,6	0,6	-0,1	0,2
		2011	0,3	0,4	1,0	0,9	0,6	0,3	0,6	0,7	0,6	0,2	0,3	0,5	0,7	0,4	1,4	0,8	2,1	1,0	0,3	0,4
		2012	-0,1	0,2	0,8	0,8	0,4	0,3	0,4	0,9	0,6	0,2	0,2	0,4	0,8	0,3	1,3	0,4	2,4	0,7	0,1	0,3
	May	2009	-0,1	0,1	0,2	0,0	0,1	-0,1	0,1	0,2	-0,2	-0,1	-0,4	0,1	0,6	0,3	0,7	0,0	0,2	0,5	0,3	0,4
		2010	0,1	0,1	0,1	0,0	-0,1	0,4	-0,1	0,8	0,2	-0,2	0,3	0,1	0,4	0,3	0,1	0,3	1,2	0,2	0,1	-0,1
		2011	-0,2	0,1	0,2	-0,1	0,1	0,2	-0,1	0,2	-0,1	-0,1	0,0	0,3	0,8	0,1	0,6	0,4	1,3	0,2	0,0	0,2
		2012	0,0	0,2	0,0	0,0	0,1	0,2	-0,1	0,4	0,0	0,0	0,1	0,3	0,7	0,2	0,5	0,4	1,0	0,3	0,1	0,2
	June	2009	0,4	0,1	0,2	0,5	-0,4	-0,1	-0,1	-0,1	0,2	0,4	0,0	0,0	0,5	0,7	0,1	-0,2	-0,1	0,3	0,2	0,2
		2010	0,0	0,0	0,1	0,1	-0,7	0,0	0,0	-0,2	0,2	0,2	-0,1	0,0	0,2	-0,1	0,3	0,4	-0,1	0,2	-0,1	-0,1
		2011	0,2	0,0	0,0	0,0	-0,5	0,3	0,1	-0,1	0,3	0,2	0,1	0,1	0,5	0,3	0,2	0,4	0,0	0,2	0,1	0,1
		2012	0,1	0,0	0,1	0,1	-0,5	0,2	0,0	-0,2	0,3	0,2	0,1	0,2	0,4	0,2	0,2	0,4	0,0	0,2	0,0	0,1
	July	2009	-0,1	-0,5	-1,2	-0,8	-1,6	-1,6	-0,4	-0,7	-0,4	-0,7	-0,8	-0,1	-0,8	-0,9	-1,4	0,8	-0,1	-0,1	-0,2	-0,6
		2010	0,3	-0,3	-0,9	-1,1	-0,6	-1,8	-0,5	-0,4	0,4	-0,6	-0,1	0,1	-0,6	-0,4	-0,8	0,2	0,6	-0,3	-0,4	-0,1
		2011	0,3	-0,3	-1,0	-1,3	-0,8	-1,3	-0,4	-0,6	0,0	-0,5	0,0	0,2	-0,3	-0,6	-1,0	0,4	0,4	-0,2	-0,3	-0,3
		2012	0,3	-0,4	-1,0	-1,2	-0,8	-1,5	-0,5	-0,6	0,0	-0,5	0,1	0,2	-0,3	-0,5	-1,0	0,4	0,4	-0,2	-0,4	-0,3
	August	2009	0,3	0,6	0,2	0,4	0,2	2,1	0,4	-0,8	-0,2	0,4	0,2	-0,2	0,1	1,3	0,2	-0,1	0,6	0,5	0,2	0,3
		2010	0,1	0,2	0,2	0,2	0,1	2,0	0,3	-0,7	-0,1	0,4	0,2	-0,1	0,1	1,0	0,9	0,0	1,0	0,5	-0,1	0,5
		2011	0,0	0,3	0,1	0,2	0,1	1,7	0,3	-0,8	-0,2	0,2	0,3	0,1	-0,1	1,3	0,5	0,4	0,7	0,5	0,1	0,1
		2012	-0,1	0,2	0,0	0,2	0,1	1,8	0,2	-0,8	-0,2	0,2	0,3	0,2	-0,1	1,2	0,7	0,4	0,7	0,5	0,0	0,1
	September	2009	-0,5	-0,2	0,7	-0,3	0,5	-0,4	0,2	1,9	-0,1	0,3	-0,4	-0,1	-0,1	-0,1	0,8	-0,2	-0,2	0,1	0,4	0,2
		2010	-0,2	0,0	0,6	0,9	0,7	0,1	0,4	1,9	-0,1	0,4	-0,2	0,0	-0,4	0,0	1,0	0,8	-0,7	0,0	0,8	0,4
		2011	0,1	0,2	0,9	1,0	0,8	0,1	0,4	2,0	0,3	0,5	0,1	0,1	-0,1	0,3	1,0	0,4	-0,3	0,2	0,6	0,5
		2012	0,1	0,1	0,9	1,0	0,8	0,0	0,4	2,0	0,3	0,5	0,1	0,2	-0,1	0,4	1,0	0,4	-0,3	0,2	0,7	0,5
	October	2009	0,1	0,1	0,4	0,7	0,3	0,0	0,1	0,5	0,0	-0,5	-0,2	0,2	0,1	-0,2	0,9	-0,1	-0,4	0,2	0,3	0,0
		2010	0,1	0,1	0,7	0,4	0,2	0,1	0,4	0,1	0,3	0,4	0,1	0,0	0,1	0,1	0,6	0,6	-0,6	0,3	0,3	-0,1
		2011	0,1	0,1	0,7	0,3	0,2	0,0	0,3	0,3	0,1	0,1	0,2	0,1	0,1	0,1	0,8	0,4	-0,2	0,2	0,3	0,0
		2012	0,1	0,1	0,7	0,3	0,2	0,0	0,3	0,2	0,1	0,1	0,2	0,2	0,1	0,2	0,7	0,4	-0,2	0,2	0,3	0,0
	November	2009	-0,2	0,2	0,1	0,5	-0,1	0,2	0,2	0,6	0,1	0,2	-0,1	0,3	0,8	0,6	0,7	-0,3	-2,6	0,3	0,0	0,0
		2010	0,1	0,1	0,0	0,3	-0,1	0,1	0,0	0,2	0,1	0,2	-0,2	0,3	0,3	0,1	-0,7	0,3	-1,5	0,3	0,2	0,1
		2011	-0,1	0,1	-0,1	0,1	-0,2	-0,1	0,1	0,4	0,0	0,0	-0,1	0,3	0,3	0,3	0,2	0,4	-2,2	0,2	0,1	0,0
		2012	-0,1	0,0	-0,1	0,1	-0,2	0,0	0,0	0,3	0,0	0,0	0,0	0,3	0,3	0,2	-0,3	0,4	-2,2	0,2	0,1	0,0
	December	2009	0,9	0,3	0,2	0,0	-0,7	0,2	0,3	0,1	0,2	0,2	-0,5	-0,1	-0,4	-0,1	-0,4	0,1	-0,2	0,6	0,2	-0,2
		2010	1,2	0,5	0,4	0,6	-0,3	0,6	0,7	0,5	0,4	0,5	0,2	0,2	0,1	0,5	-0,2	0,5	0,5	1,0	0,6	0,1
		2011	0,9	0,2	0,2	0,1	-0,5	0,3	0,5	0,3	0,1	0,1	0,2	0,3	-0,1	0,2	-0,4	0,4	0,2	0,5	0,4	-0,1
		2012	0,9	0,2	0,2	0,1	-0,5	0,3	0,6	0,4	0,1	0,1	0,2	0,3	-0,1	0,3	-0,3	0,4	0,2	0,5	0,5	-0,1

*The figures in the shaded area are forecasts

Source: EUROSTAT & BIAM(UC3M)

Date: June 16, 2011



II.3. MONETARY POLICY

According to our forecasts, none of the countries representing more than 1% of the euro area will reduce its HICP to 2% before December this year. Despite the slight reduction in speed of the central economies and the slight fall in energy prices in the last month, euro area inflation in May was in line with our expectations and our inflation forecasts for 2011 and 2012 remain unaltered at 2.7% (± 0.31) and 1.7% (± 0.95). Furthermore, according to our estimates, euro area inflation could be above the ECB target for a total of 15 months. The 0.25 percentage point rate increase this week by the ECB therefore continues to be the most likely option.

However, as graph 1 shows, the lack of agreement up to last week about the last aid for Greece appeared to generate doubts about the rate increase. As usual in the last few months, the eonia swap variation chart is an indicator of the time when the market could be discounting the rate increase. On the last 6 occasions, a week before the decision the market was sure of it. However, last week, this was not the case.

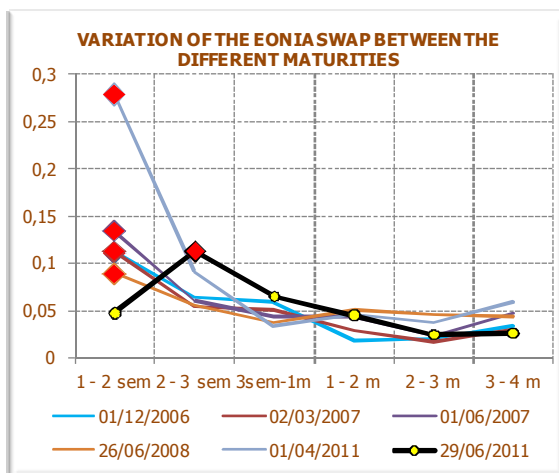
Exogenous inflationist pressure has also fallen slightly this month, with the euribor rate ending at 2.14, the same level as at the end of the previous month. Doubts concerning the resolution of the Greek crisis and the sluggishness of the euro area economy appear to have prevented a new euribor increase which would otherwise have led to a very likely rate increase this week.

With regards to the credit injected into the system by the ECB, in May European banks increased their access slightly. It nonetheless remained at its post-crisis levels. It is significant, however, that Spanish banks have increased their access to the same levels found in November last year. In May, total credit to the private sector increased its growth rate to a year-on-year 2.7%. Both non-financial firms and households maintained their credit growth rate stable at 0.9% and 3.4%, respectively. Finally, M3, the ECB's monetary mass of reference, increased its growth rate in May to a year-on-year rate of 2.4%, providing additional support for an ECB rate increase this week.

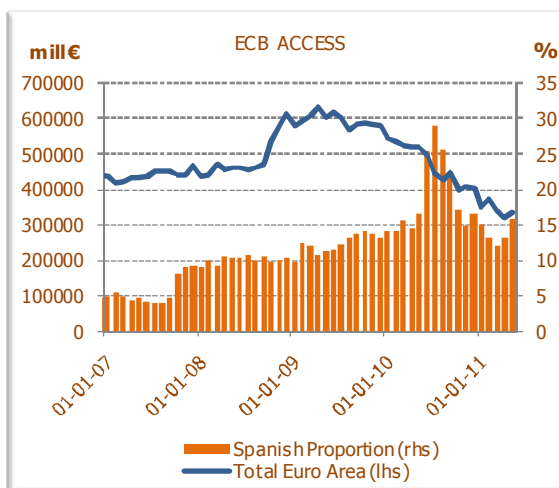
Finally, clearly determined to aim at monetary normalisation, the ECB has now registered four consecutive weeks without buying European sovereign debt. As we mentioned last month, it has apparently decided to ignore the recent rises in sovereign financing costs. Given the tension on those markets, the reason for this change of

strategy is probably the ECB's fear of the possible consequences of their purchasing no longer having a calming effect on the markets.

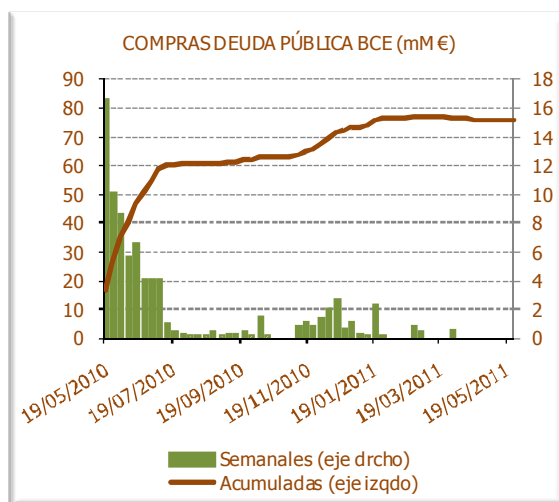
Graph II.3.1



Graph II.3.2



Graph II.3.3



Source: EUROSTAT & BIAM(UC3M)

Date: June 31, 2011



III. UNITED STATES

III.1. INDUSTRIAL PRODUCTION INDEX

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.							
Annual rates of growth							
		Consumer Goods		Capital Goods	Intermediate Goods	TOTAL	
		Durable	Non Durable				
ANNUAL AVERAGE RATES	2007	1,9	0,5	2,9	3,7	2,7	
	2008	-11,3	-3,2	-3,9	-2,7	-3,7	
	2009	-15,9	-4,6	-13,3	-11,6	-11,2	
	2010	11,1	2,5	4,2	6,4	5,3	
	2011	7,5	1,0	4,0	3,5	3,4	
	2012	7,2	1,4	3,2	3,4	3,2	
ANNUAL RATES	2010	QI	12,5	0,3	-1,3	2,6	1,5
		QII	18,7	2,5	5,4	7,8	6,8
		QIII	8,8	4,1	6,3	7,6	6,7
		QIV	5,0	3,0	6,6	7,4	6,2
	2011	QI	9,8	1,1	6,6	5,7	5,2
		QII	5,2	1,6	4,4	4,0	3,7
		QIII	7,6	0,6	3,1	2,5	2,6
		QIV	7,5	0,8	2,3	1,8	2,1
	2012	QI	4,8	1,3	1,8	1,8	2,1
		QII	7,8	1,1	2,8	2,8	2,7
		QIII	7,7	1,6	3,7	4,0	3,6
		QIV	8,6	1,7	4,5	4,9	4,3

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN U.S.							
Annual rates of growth							
	2006	2007	2008	2009	2010	2011	2012
January	1,6	2,1	2,4	-12,4	0,3	5,5	2,2
February	1,3	2,8	0,7	-13,0	1,0	4,9	2,1
March	2,1	2,3	0,0	-14,2	3,4	5,2	2,0
April	0,9	3,5	-0,7	-15,3	5,3	4,7	2,3
May	2,1	3,0	-2,0	-14,8	7,2	3,5	2,7
June	2,0	2,6	-2,3	-14,8	7,8	2,8	3,2
July	2,8	2,6	-2,0	-13,1	7,1	2,7	3,3
August	2,5	2,4	-4,4	-10,9	6,7	2,6	3,6
September	4,1	3,1	-8,6	-7,2	6,3	2,5	3,8
October	2,8	2,4	-7,5	-7,5	6,0	2,3	4,1
November	1,9	3,0	-8,9	-5,9	5,9	2,1	4,3
December	2,2	2,2	-10,7	-3,2	6,6	2,1	4,3

Source: Federal Reserve & BIAM(UC3M)

Date: June 15, 2011



III.2. INFLATION

There was an upwards innovation in both new and second hand car prices for the fifth consecutive month.

Home rentals started to grow again after months of sluggishness.

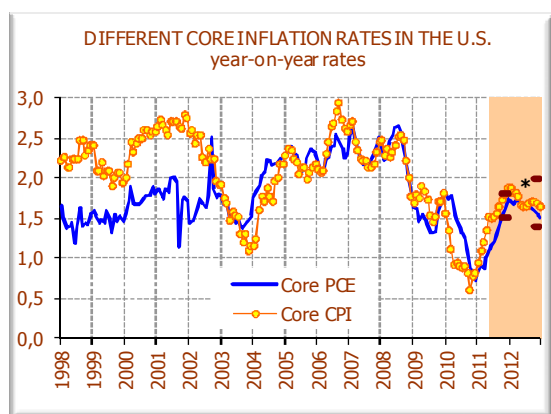
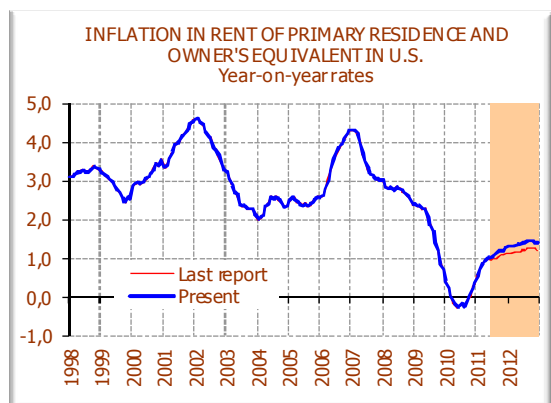
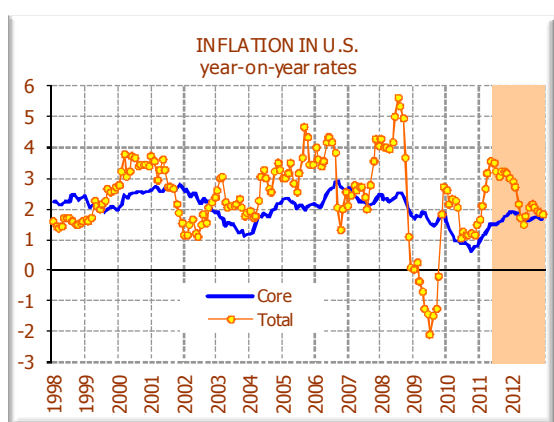
Core inflation expectations have therefore risen.

There was an important innovation in fuel prices (3.48% instead of the expected 1.23%) due to the unjustified delay in transferring West Texas oil price cuts to final prices.

For 2011 and 2012, we expect average annual core inflation rates of 1.48% (± 0.15)¹ and 1.72% (± 0.52).

Average annual total inflation is expected to be 2.96% (± 0.55) in 2011 and 2.04% (± 1.73) in 2012, representing a slight increase of three tenths of a point in the period's average.

In terms of the core personal consumption expenditure index –core PCE²–, and entering the IPC figure in the models, our forecast for June is an annual rate of 1.11%. For 2011-12, core PCE expectations remain within the central tendency established by the Fed in its last meeting, although tending to exceed the upper limit (see report³).



(*) Central tendency projected by the FOMC, for core PCE (fourth quarter of the previous year to the fourth quarter of the year indicated).
Source: BLS & BIAM
Date: June 15, 2011

DIFFERENT MEASURES OF INFLATION IN THE U.S.					
Annual rates of growth					
		Total	Core		
		CPI	CPI	PCE	MB-PCE
Annual Average Rates	2008	3,8	2,3	2,3	2,3
	2009	-0,4	1,7	1,5	1,9
	2010	1,6	1,0	1,3	1,1
	2011	3,0	1,5	1,2	1,3
	2012	2,0	1,7	1,6	1,6
YEAR RATES	2011	January	1,6	1,0	0,8
		February	2,1	1,1	0,9
		March	2,7	1,2	0,9
		April	3,2	1,3	1,0
		May	3,6	1,5	1,1
		June	3,5	1,5	1,2
				1,2	1,2

The shaded values are forecasts

(1) PCE: chain-type price index for personal consumption expenditures

(2) -MB-PCE: Market-based components of PCE prices

Source: BLS & BIAM

Date: June 15, 2011

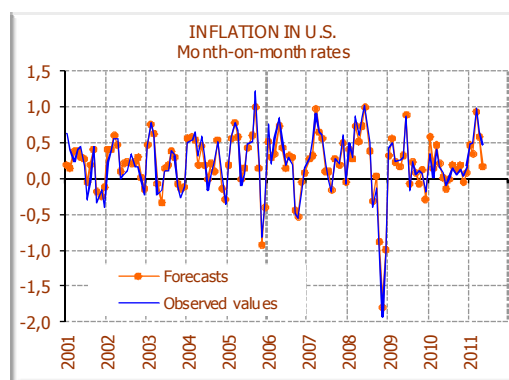
1. In our reports, unless differently specified, only non-seasonally adjusted data are used.

2 <http://www.federalreserve.gov/newsevents/press/monetary/fomcminutes20110126.pdf>



FORECASTING ERRORS IN U.S. INFLATION

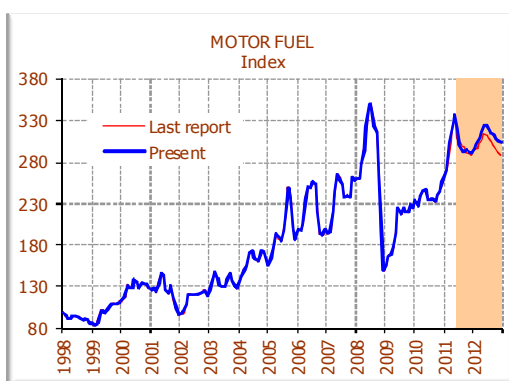
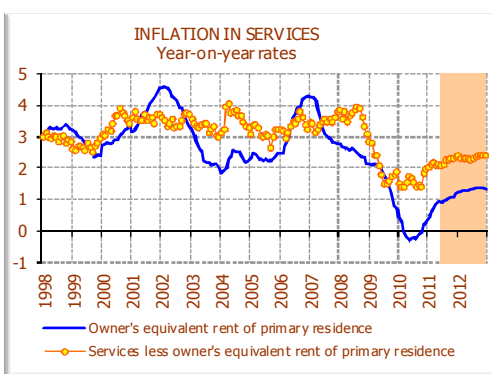
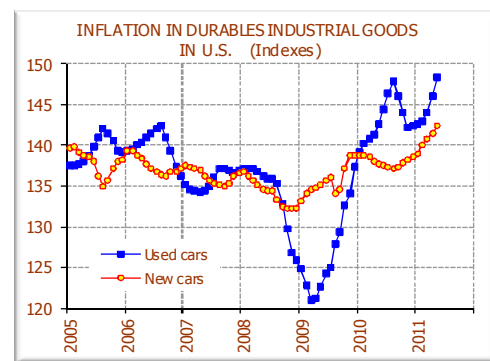
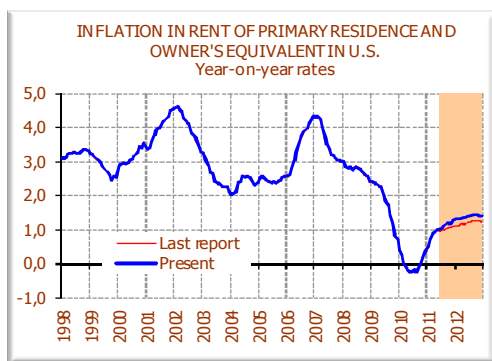
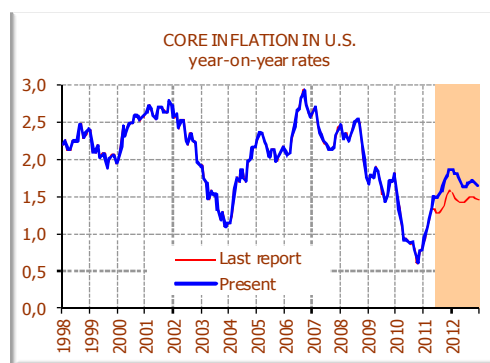
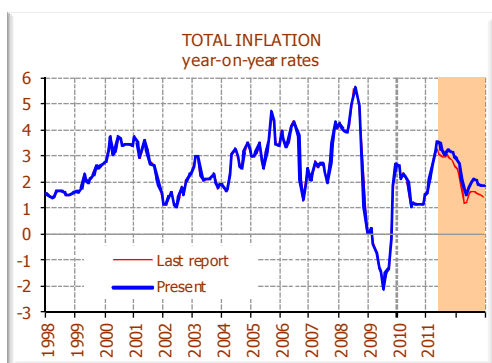
CONSUMER PRICE INDEX IN U.S. Monthly rates May, 2011				
	Relative Imp. Dec. 2009	Observed	Forecasts	Confidence Intervals*
TOTAL INFLATION	100,0	0,47	0,16	0,14
less Owner's equivalent rent of primary residence	76,4	0,59	0,19	0,17
CORE INFLATION	77,7	0,19	0,02	0,11
less Owner's equivalent rent of primary residence	54,1	0,23	0,01	0,15
Non-food and non-energy goods	21,3	0,31	-0,15	0,28
Less tobacco	20,4	0,33	-0,25	0,26
- Durable goods	10,0	0,62	0,04	0,33
- Non-durable goods	11,3	-0,05	-0,32	0,39
Non-energy services	56,4	0,14	0,09	0,13
- Services less Owner's equivalent rent of primary residence	32,8	0,19	0,12	0,21
- Owner's equivalent rent of primary residence	23,6	0,07	0,03	0,12
RESIDUAL INFLATION	22,3	1,37	0,59	0,48
Food	13,7	0,37	0,28	0,26
Energy	8,6	2,71	1,00	1,14



Source: BLS & BIAM(UC3M)

Date: June 15, 2011

OTHER GRAPHS ON U.S. INFLATION FORECASTS



Source: BLS & BIAM(UC3M)

Date: June 15, 2011



CONSUMER PRICE INDEX AND COMPONENTS IN USA															
Annual rates of growth															
		CPI											TOTAL 100% Confidence Intervals at 80% level		
		Core						TOTAL Confidence Intervals at 80% level			Residual				
		Non-energy commodities less food			Non-energy services						Food	Energy			TOTAL
		Durables	Non durables	All	Owner's equivalent rent of primary residence	Other services	All								
IR December 09		10,0%	11,3%	21,3%	23,6%	32,8%	56,4%	77,7%		13,7%	8,6%	22,3%			
	2003	-3,2	-0,7	-2,0	2,4	3,3	2,9	1,5		2,1	12,2	5,3	2,3		
	2004	-2,3	0,4	-0,9	2,3	3,6	2,9	1,8		3,4	10,9	6,0	2,7		
	2005	0,4	0,6	0,5	2,3	3,1	2,8	2,2		2,4	16,9	7,6	3,4		
	2006	-0,7	1,2	0,3	3,5	3,3	3,4	2,5		2,3	11,2	5,8	3,2		
	2007	-1,7	1,0	-0,4	3,4	3,4	3,4	2,3		4,0	5,5	5,1	2,9		
	2008	-1,4	1,7	0,1	2,5	3,6	3,1	2,3		5,5	13,9	9,0	3,8		
	2009	-0,9	3,4	1,3	1,7	2,0	1,9	1,7		1,8	-18,4	-6,8	-0,4		
	2010	1,3	0,8	1,1	0,0	1,6	0,9	1,0		0,8	9,5	4,0	1,6		
	2011	1,0	1,0	1,0	0,9	2,2	1,7	1,5	± 0,15	3,6	15,0	8,1	3,0	± 0,55	
2012	1,0	1,3	1,2	1,3	2,3	1,9	1,7	± 0,52	2,7	3,6	3,1	2,0	± 1,73		
ANNUAL RATES (growth of the month over the same month of the previous year)	2010	January	2,5	3,3	2,9	0,4	1,5	1,0	1,6		-0,4	19,1	6,4	2,6	
		February	2,3	2,6	2,5	0,3	1,4	0,9	1,3		-0,2	14,4	4,9	2,1	
		March	2,2	1,6	1,9	0,0	1,4	0,8	1,1		0,2	18,3	6,6	2,3	
		April	1,9	0,5	1,2	-0,2	1,6	0,8	0,9		0,5	18,5	6,9	2,2	
		May	1,6	0,5	1,1	-0,3	1,7	0,9	0,9		0,7	14,7	5,8	2,0	
		June	1,3	0,6	1,0	-0,2	1,7	0,9	0,9		0,7	3,0	1,6	1,1	
		July	1,5	0,6	1,0	-0,2	1,5	0,8	0,9		0,9	5,2	2,5	1,2	
		August	2,3	0,5	1,3	-0,3	1,4	0,7	0,9		1,0	3,8	2,1	1,1	
		September	1,6	0,0	0,8	-0,1	1,4	0,8	0,8		1,4	3,8	2,3	1,1	
		October	0,3	-0,1	0,1	0,0	1,4	0,8	0,6		1,4	5,9	3,1	1,2	
		November	-0,5	0,1	-0,2	0,2	1,8	1,1	0,8		1,5	3,9	2,5	1,1	
		December	-0,9	0,0	-0,4	0,3	2,0	1,3	0,8		1,5	7,7	3,9	1,5	
	2011	January	-0,9	0,5	-0,2	0,5	2,0	1,4	1,0		1,8	7,3	4,0	1,6	
		February	-0,5	0,4	0,0	0,6	2,1	1,5	1,1		2,3	11,0	5,6	2,1	
		March	0,0	0,3	0,2	0,8	2,2	1,6	1,2		2,9	15,5	7,8	2,7	
		April	0,7	0,7	0,7	0,9	2,1	1,6	1,3		3,2	19,0	9,4	3,2	
		May	1,3	1,1	1,2	0,9	2,1	1,6	1,5		3,5	21,5	10,6	3,6	
		June	1,6	1,0	1,3	0,9	2,1	1,6	1,5	± 0,11	3,7	20,8	10,4	3,5	± 0,14
		July	1,4	1,0	1,2	1,0	2,1	1,6	1,5	± 0,19	4,1	16,5	8,9	3,2	± 0,48
		August	1,2	1,1	1,1	1,0	2,3	1,7	1,6	± 0,26	4,2	14,4	8,2	3,1	± 0,87
		September	1,3	1,3	1,3	1,1	2,3	1,8	1,6	± 0,32	4,1	16,0	8,7	3,2	± 1,23
		October	1,7	1,5	1,6	1,1	2,3	1,8	1,7	± 0,36	4,2	14,5	8,2	3,2	± 1,53
		November	2,1	1,4	1,7	1,1	2,3	1,8	1,8	± 0,39	4,3	13,4	7,9	3,2	± 1,77
		December	2,4	1,4	1,9	1,2	2,4	1,9	1,9	± 0,43	4,5	10,1	6,7	3,0	± 1,93
	2012	January	2,4	1,2	1,8	1,2	2,4	1,9	1,9	± 0,46	4,3	8,9	6,1	2,9	± 2,03
		February	2,1	1,3	1,7	1,2	2,3	1,9	1,8	± 0,50	4,0	7,9	5,6	2,7	± 2,10
		March	1,7	1,6	1,6	1,3	2,3	1,9	1,8	± 0,55	3,3	3,0	3,2	2,1	± 2,15
		April	1,3	1,5	1,4	1,3	2,3	1,9	1,8	± 0,59	2,9	-0,7	1,4	1,7	± 2,20
		May	0,8	1,3	1,1	1,3	2,3	1,9	1,7	± 0,63	2,7	-1,3	0,9	1,5	± 2,26
		June	0,6	1,3	1,0	1,3	2,3	1,9	1,6	± 0,65	2,5	1,8	2,2	1,8	± 2,34
		July	0,6	1,3	0,9	1,3	2,3	1,9	1,6	± 0,67	2,4	4,6	3,3	2,0	± 2,36
		August	0,6	1,3	1,0	1,4	2,4	2,0	1,7	± 0,67	2,2	5,3	3,5	2,1	± 2,36
		September	0,6	1,3	1,0	1,4	2,4	2,0	1,7	± 0,67	2,1	4,7	3,2	2,1	± 2,36
		October	0,5	1,3	0,9	1,4	2,4	2,0	1,7	± 0,67	2,0	3,3	2,6	1,9	± 2,36
		November	0,4	1,3	0,9	1,4	2,4	2,0	1,7	± 0,67	1,9	3,2	2,5	1,9	± 2,36
		December	0,3	1,3	0,8	1,3	2,4	2,0	1,6	± 0,67	1,9	3,3	2,4	1,8	± 2,36

Source: BLS & BIAM(UC3M)

Date: June 15, 2011



CONSUMER PRICE INDEX AND COMPONENTS IN USA

Monthly rates of growth

CPI												
Core												
Residual												
TOTAL												
TOTAL 100%												
Non-energy commodities less food												
Non-energy services												
Food												
Energy												
TOTAL												
TOTAL 100%												
DURABLES												
NON-DURABLES												
ALL												
Owner's equivalent rent of primary residence												
Other services												
All												
IR December 09												
10,0%												
11,3%												
21,3%												
23,6%												
32,8%												
56,4%												
77,7%												
13,7%												
8,6%												
22,3%												
MONTHLY RATES (Growth of the month over the previous month)												
January	2009	0,2	-0,4	-0,1	0,2	0,6	0,4	0,3	0,4	2,0	1,0	0,4
	2010	0,2	-0,5	-0,2	-0,1	0,2	0,1	0,0	0,6	2,8	1,4	0,3
	2011	0,2	-0,1	0,0	0,1	0,3	0,2	0,2	0,9	2,4	1,5	0,5
	2012	0,3	-0,4	-0,1	0,2	0,3	0,3	0,2	0,7	1,3	1,0	0,4
February	2009	0,2	1,5	0,8	0,1	0,4	0,3	0,4	-0,2	2,4	0,7	0,5
	2010	0,0	0,8	0,4	0,0	0,3	0,2	0,2	0,0	-1,7	-0,7	0,0
	2011	0,5	0,7	0,6	0,1	0,4	0,3	0,4	0,4	1,6	0,9	0,5
	2012	0,2	0,8	0,5	0,1	0,4	0,3	0,3	0,1	0,7	0,4	0,3
March	2009	0,0	1,9	1,0	0,2	0,2	0,2	0,4	-0,3	-0,7	-0,4	0,2
	2010	-0,1	0,9	0,5	-0,1	0,2	0,1	0,2	0,1	2,7	1,1	0,4
	2011	0,4	0,8	0,6	0,1	0,3	0,2	0,3	0,7	6,9	3,2	1,0
	2012	0,0	1,2	0,6	0,1	0,2	0,2	0,3	0,0	2,1	0,9	0,4
April	2009	0,1	1,0	0,6	0,1	0,1	0,1	0,2	-0,2	1,3	0,3	0,2
	2010	-0,2	-0,1	-0,2	0,0	0,2	0,1	0,0	0,1	1,4	0,6	0,2
	2011	0,5	0,3	0,4	0,1	0,2	0,1	0,2	0,4	4,5	2,1	0,6
	2012	0,1	0,3	0,2	0,1	0,2	0,1	0,2	0,0	0,8	0,3	0,2
May	2009	0,2	-0,4	-0,1	0,1	0,0	0,0	0,0	-0,2	4,0	1,3	0,3
	2010	0,0	-0,4	-0,2	0,0	0,2	0,1	0,0	0,1	0,7	0,3	0,1
	2011	0,6	0,0	0,3	0,1	0,2	0,1	0,2	0,4	2,7	1,4	0,5
	2012	0,1	-0,2	-0,1	0,1	0,2	0,1	0,1	0,1	2,0	0,9	0,3
June	2009	0,3	-0,8	-0,3	0,0	0,3	0,2	0,1	0,0	9,9	3,6	0,9
	2010	0,0	-0,7	-0,4	0,1	0,3	0,2	0,0	-0,1	-1,3	-0,5	-0,1
	2011	0,2	-0,8	-0,3	0,0	0,2	0,2	0,0	0,2	-1,8	-0,7	-0,1
	2012	0,0	-0,8	-0,4	0,1	0,2	0,2	0,0	0,0	1,3	0,6	0,1
July	2009	-0,1	-0,7	-0,4	0,0	0,4	0,2	0,0	-0,2	-1,7	-0,8	-0,2
	2010	0,1	-0,8	-0,4	0,0	0,2	0,1	0,0	0,0	0,3	0,1	0,0
	2011	0,0	-0,8	-0,4	0,1	0,3	0,2	0,0	0,3	-3,3	-1,3	-0,3
	2012	-0,1	-0,8	-0,5	0,1	0,3	0,2	0,0	0,1	-0,6	-0,2	0,0
August	2009	-0,7	0,5	-0,1	0,1	0,3	0,2	0,1	0,0	1,5	0,6	0,2
	2010	0,0	0,4	0,2	0,0	0,1	0,1	0,1	0,2	0,1	0,2	0,1
	2011	-0,2	0,5	0,2	0,1	0,3	0,2	0,2	0,3	-1,6	-0,5	0,0
	2012	-0,1	0,5	0,2	0,1	0,3	0,2	0,2	0,2	-0,9	-0,3	0,1
September	2009	0,2	1,7	1,0	-0,1	0,0	0,0	0,2	-0,1	-1,3	-0,6	0,1
	2010	-0,4	1,2	0,5	0,0	0,1	0,0	0,2	0,3	-1,3	-0,3	0,1
	2011	-0,3	1,5	0,7	0,1	0,1	0,1	0,2	0,3	0,1	0,2	0,2
	2012	-0,2	1,5	0,7	0,1	0,1	0,1	0,3	0,2	-0,5	-0,1	0,2
October	2009	1,2	0,4	0,8	0,0	0,1	0,1	0,3	0,1	-1,5	-0,5	0,1
	2010	-0,2	0,4	0,1	0,1	0,0	0,1	0,1	0,2	0,4	0,3	0,1
	2011	0,1	0,5	0,3	0,1	0,1	0,1	0,2	0,3	-0,8	-0,2	0,1
	2012	0,1	0,5	0,3	0,1	0,1	0,1	0,2	0,2	-2,1	-0,8	-0,1
November	2009	0,4	-0,4	0,0	-0,1	-0,3	-0,2	-0,2	-0,1	2,4	0,8	0,1
	2010	-0,4	-0,3	-0,3	0,1	0,1	0,1	0,0	0,0	0,5	0,2	0,0
	2011	0,1	-0,3	-0,1	0,2	0,1	0,1	0,1	0,1	-0,5	-0,1	0,0
	2012	0,0	-0,3	-0,2	0,1	0,1	0,1	0,0	0,0	-0,5	-0,2	0,0
December	2009	0,3	-0,9	-0,3	0,0	-0,2	-0,1	-0,2	0,2	-0,8	-0,2	-0,2
	2010	-0,1	-0,9	-0,5	0,1	0,0	0,0	-0,1	0,1	2,8	1,2	0,2
	2011	0,2	-1,0	-0,4	0,2	0,0	0,1	-0,1	0,3	-0,2	0,1	0,0
	2012	0,1	-1,0	-0,5	0,2	0,0	0,1	-0,1	0,2	-0,2	0,1	-0,1

Source: BLS & BIAM(UC3M)

Date: June 15, 2011



III.3. PROPERTY SECTOR

In May, most of the indicators relative to the American residential sector were much as expected¹, with a drop in second hand house sales.

The high number of mortgage foreclosures is distorting the evolution of some series, especially second hand house prices, which continue to fall while new home prices stabilise or rise slightly.

There continue to be no signs of recovery in the residential sector.

As shown on Graphs A and B, the evolution of the new and second hand residential market continues to be different in the crisis. This could be explained by public incentives and the large number of mortgage foreclosures. Indeed, the sale of second hand homes did not fall as much

as that of new houses, due to a greater cut in prices.

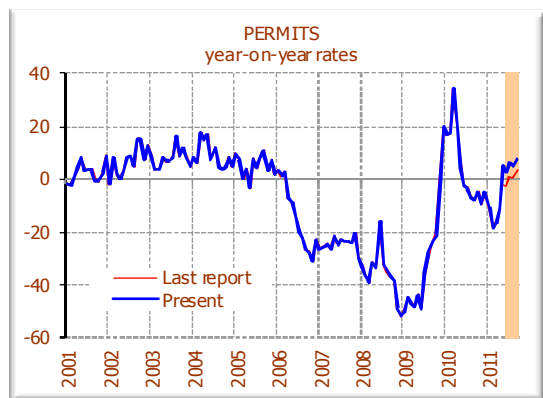
Building permits and housing starts were better than expected, although still at an all time low. Used house sales were worse than expected, and this is expected to continue in the next few months.

New and second hand house prices evolved as expected.

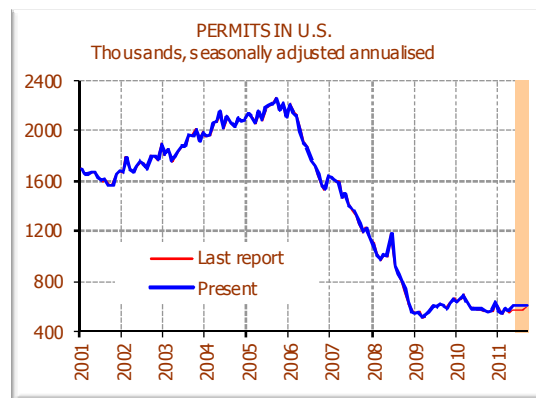
For June, we are expecting all the indicators to remain more or less stable, still with no sign of recovery.

1. We recommended the monitoring of the series in levels.

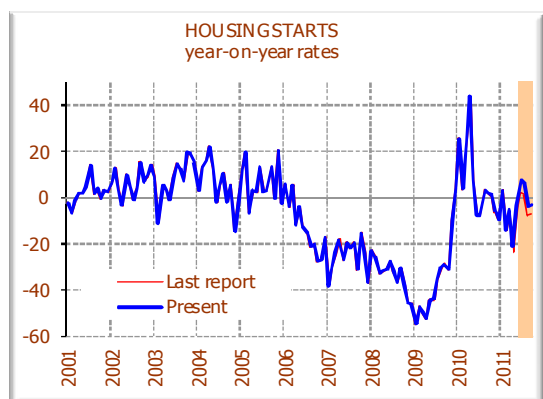
Graph III.3.1a



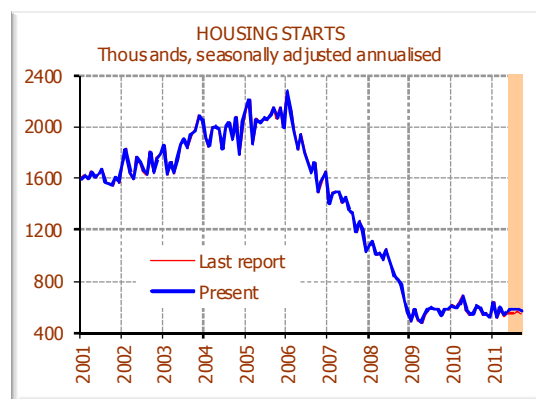
Graph III.3.1b



Graph III.3.2a



Graph III.3.2b

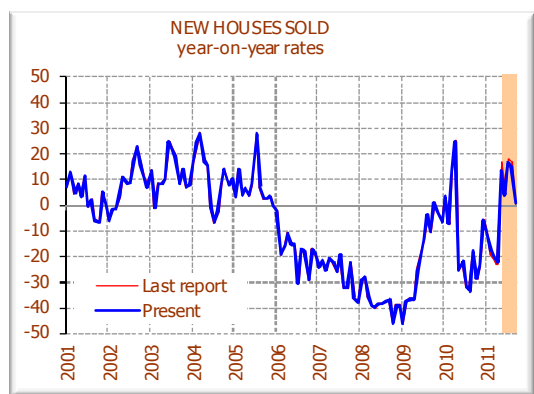


Source: U.S. Census Bureau & BIAM (UC3M)

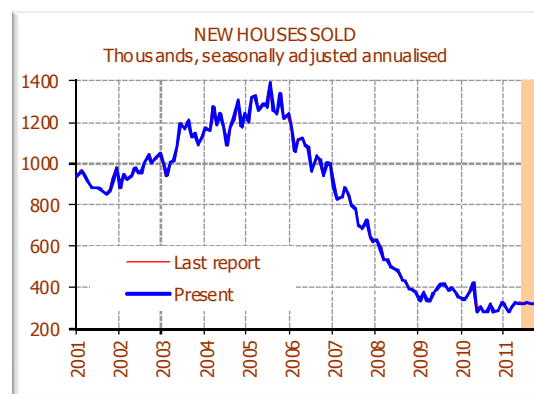
Date: June 23, 2011



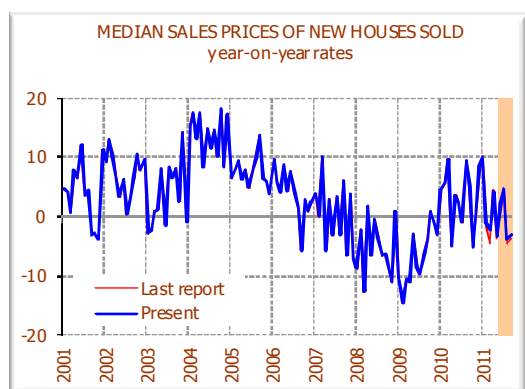
Graph III.3.3a



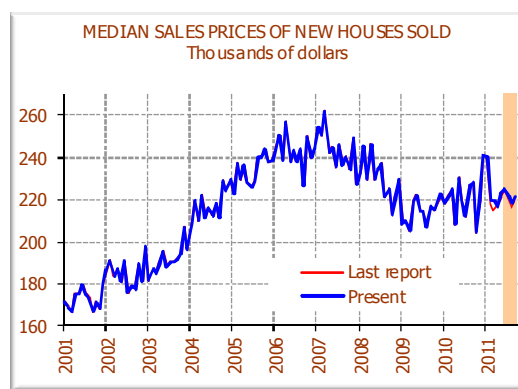
Graph III.3.3b



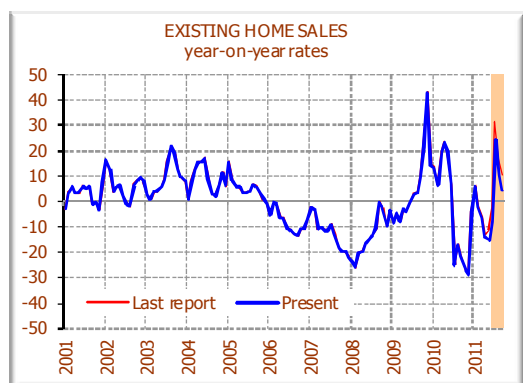
Graph III.3.4a



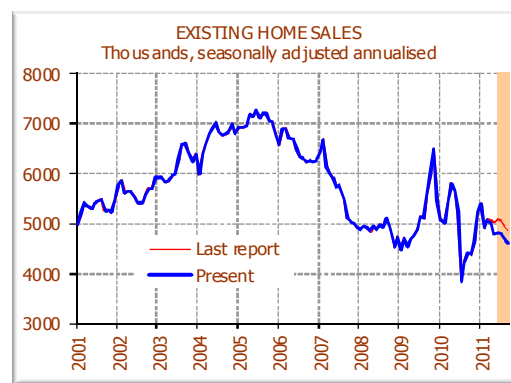
Graph III.3.4b



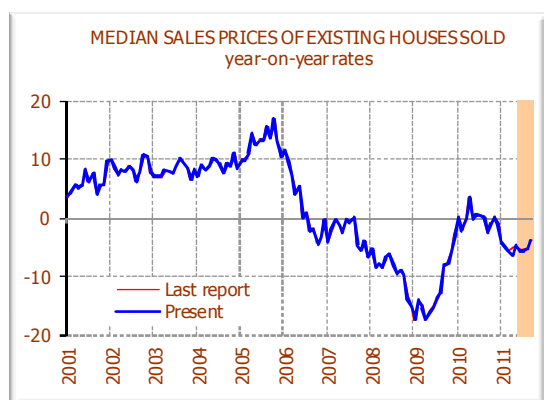
Graph III.3.5a



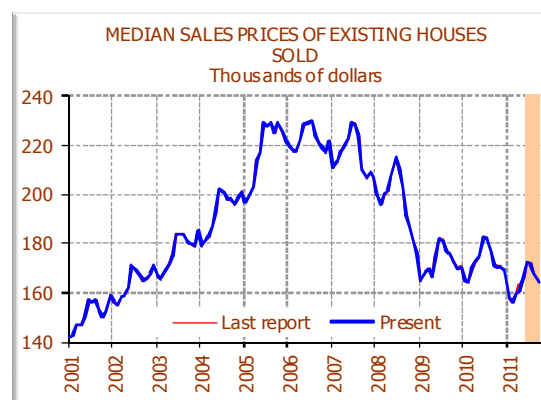
Graph III.3.5b



Graph III.3.6a



Graph III.3.6b



Source: National association of REALTORS & BIAM (UC3M)
Date: June 23, 2011



IV. SPAIN

The latest data on construction and industry caused the downwards revision of our GDP growth expectations for 2012, down to 1.3% (± 1.0).

Energy prices slightly moderated this month motivating the reduction of our inflation expectations for 2011 and 2012, down to 3.0% (± 0.41) and 1.5% (± 1.45) respectively.

The Spanish industry stagnates again. Our expectations on the industrial production growth dropped to 0.2% (± 1.9) and 1.3% (± 3.2) for 2011 and 2012, respectively.

MAIN VARIABLES AND INDICATORS IN SPAIN										
Average annual rates										
					Forecasts					
					2011	2012				
					2007	2008	2009	2010		
GDP mp.¹					3.6	0.9	-3.7	-0.1	0.7 (±0.6)	1.3 (±1)
Demand	Private final consumption	3.7	-0.6	-4.3	1.3	0.5	1.3			
	Public final consumption	5.5	5.8	3.2	-0.7	0.2	0.0			
	Gross capital formation	4.5	-4.8	-16.0	-7.6	-5.2	-0.8			
	Equipment	10.4	-2.5	-24.8	1.8	1.3	5.5			
	Construction	3.2	-5.9	-11.9	-11.1	-9.4	-4.0			
	Other products	0.8	-4.1	-16.2	-8.2	-0.3	0.5			
	Contribution domestic demand*	4.4	-0.6	-6.4	-1.2	-0.9	0.5			
	Exports of goods and services	6.7	-1.1	-11.6	10.3	10.5	6.0			
	Imports of goods and services	8.0	-5.3	-17.8	5.4	4.1	2.9			
Contribution foreign demand*	-0.8	1.5	2.7	1.0	1.6	0.7				
Supply GVA	Agriculture	7.1	-2.1	1.0	-1.3	3.4	3.0			
	Energy	0.9	5.8	-6.4	3.0	2.1	1.1			
	Industry	0.8	-2.7	-13.6	0.9	4.2	2.1			
	Construction	2.5	-1.6	-6.2	-6.3	-4.5	-0.2			
	Trade services	4.9	1.7	-1.9	0.4	0.9	1.4			
	Non-trade services	4.8	4.7	2.1	0.8	-0.1	1.0			
	Total	3.9	1.1	-3.5	-0.2	0.7	1.3			
	Tax	0.9	-1.1	-6.0	0.6	-0.2	0.8			
Prices CPI²										
Total	2.8	4.1	-0.3	1.8	3 (±0.4)	1.5 (±1.5)				
Core	2.7	3.2	0.8	0.6	1.6 (±0.3)	1.3 (±1)				
dec / dec	4.2	1.4	0.8	3.0	1.9	1.8				
Foreign sector¹										
Balance of current account (bil€)	-105.35	-104.46	-57.97	-47.82	-43.35	-39.11				
Net lending or borrowing (% of GDP)	-9.5	-9.1	-5.1	-3.9	-3.4	-2.9				
Public Administration¹: Net lending or borrowing (% of GDP)					1.9	-4.2	-11.1	-9.3	-6.6	-5.1
Industrial production index (excluding construction)⁴					2.4	-7.1	-16.2	0.9	0.2 (±1.9)	1.3 (±3.2)
ECONOMICALLY ACTIVE POPULATION SURVEY³										
Employed	3.1	-0.5	-6.8	-2.3	-0.8	0.1				
Agriculture	-2.0	-5.0	-4.0	0.9	-3.8	-3.7				
Industry	-0.9	-1.1	-13.3	-5.9	-1.5	-0.2				
Construction	6.1	-10.9	-23.0	-12.6	-8.7	-5.2				
Services	3.8	2.1	-2.5	-0.3	0.5	0.9				
Active	2.8	3.0	0.8	0.2	0.2	0.3				
Unemployment rate	8.3	11.3	18.0	20.1	20.9	21.0				

The figures in the shaded area are forecasts

(1) Data adjusted for seasonality and working days effect.

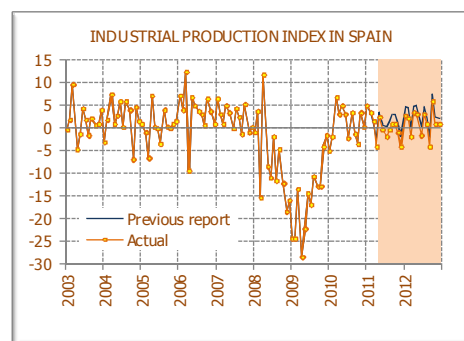
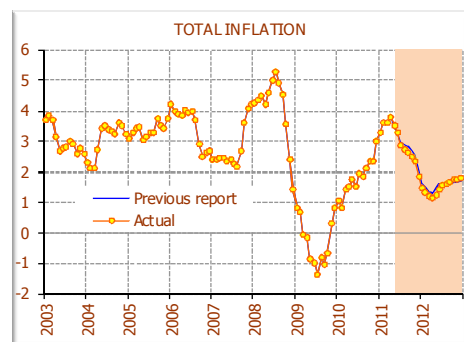
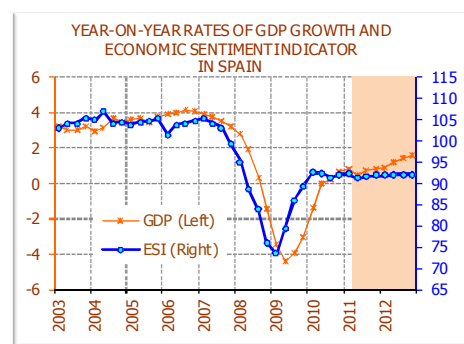
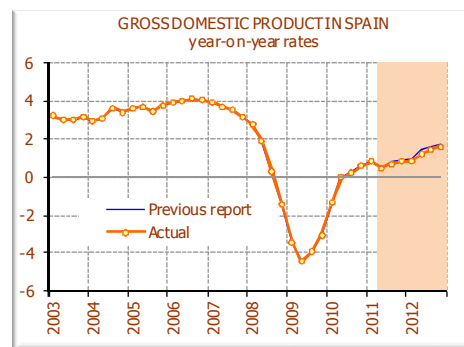
Source: EUROSTAT & BIAM (UC3M)

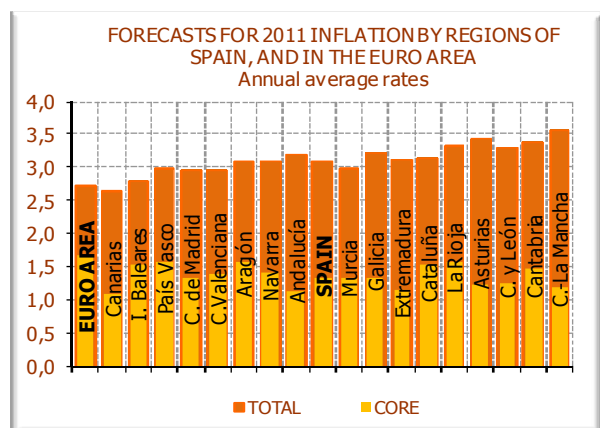
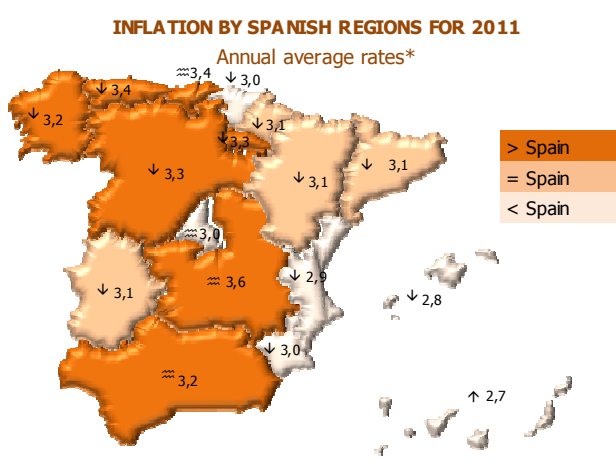
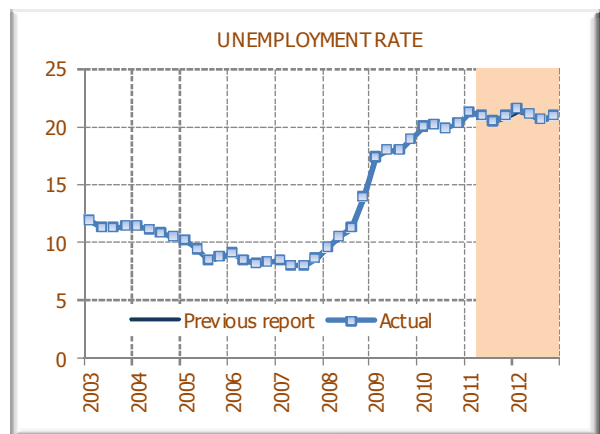
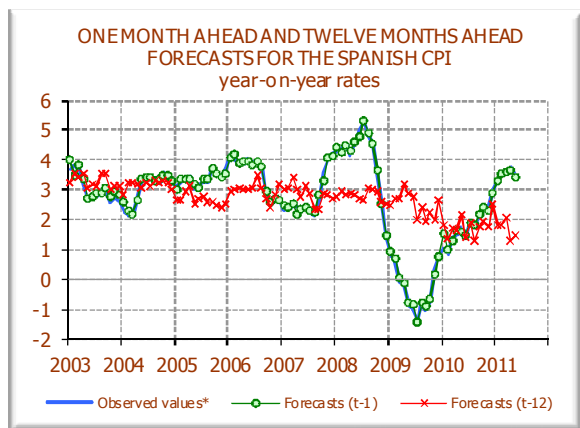
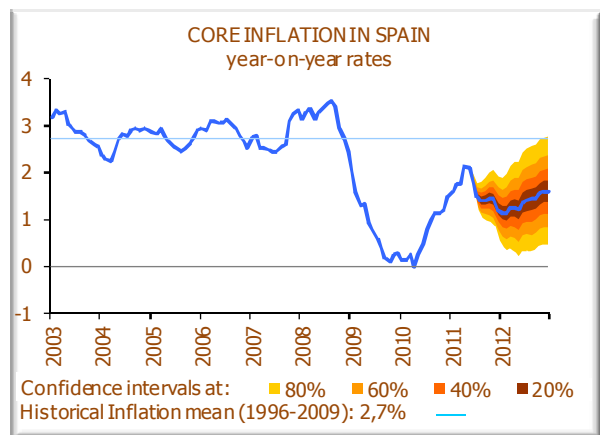
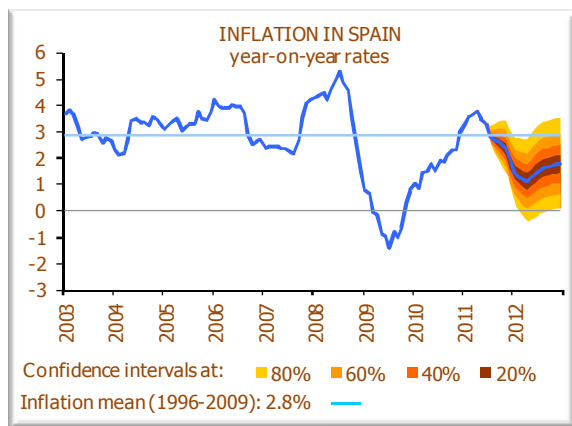
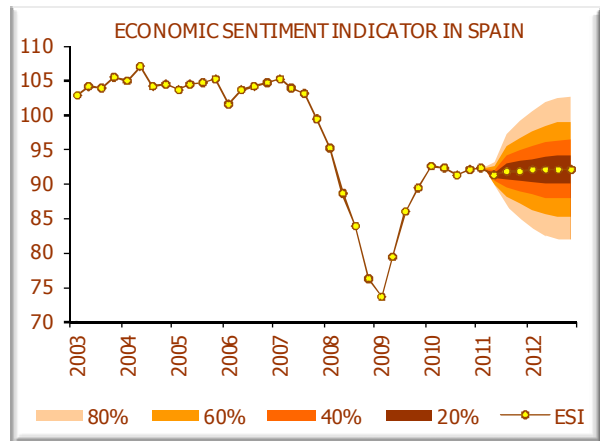
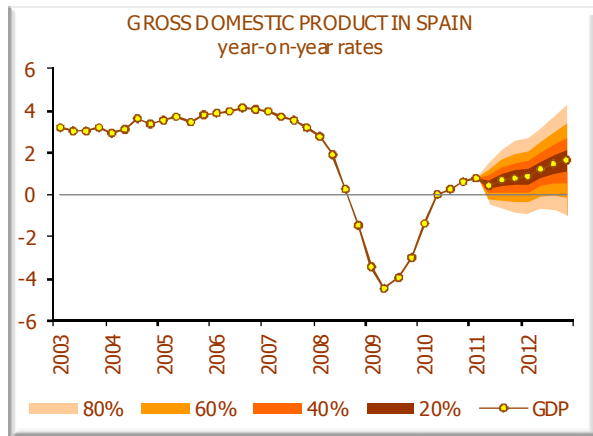
Dates: (1) June 30, 2011

(2) June 29, 2011

(3) April 29, 2011

(4) June 21, 2011





IV.1. MACROECONOMIC FORECASTS

According to the National Accounts, in the first quarter of 2011, the Spanish economy continued to recover slightly, with a quarter-on-quarter growth rate of 0.3% in real terms (corrected for seasonality and calendar), and a year-on-year rate of 0.8%. This was an upwards innovation due to the evolution of public spending. Published data, however, can be subsequently revised for up to around a year.

All the indicators continue to point to a weak domestic demand. May's IPI and soft data for the sector continued to register downwards surprises. In the rest of the year, the public sector is expected to reduce its growth rate to help to reach the country's deficit targets. The labour market indicators in April and May showed no sign of the relative improvement found in the last few months. The monthly foreign sector indicators, however, show that foreign demand will continue to support GDP growth.

With the latest economic information, average annual GDP growth is still forecast at 0.7% for this year and reduced marginally to 1.3% for the next. Private consumption has increased by one tenth of a point to 0.5%, however, while public spending remains stable. The most significant change is found in capital investment, the growth forecast of which has fallen by nearly a point (1.3%). This is largely counteracted by an upwards revision of exports. For 2012, the average annual GDP growth forecast has fallen to 1.3% as a result of the cuts in capital goods and public spending, in compliance with the country's fiscal consolidation commitments.

The April Industrial Production Index (IPI) fell by a year-on-year rate of 4.1%. When

corrected for calendar, however, the reduction is much smaller (1.6%) partly due to Holy Week, which fell in April this year. This figure is worse than expected, with downwards surprises for two consecutive months. All major IPI groups contributed to this decrease, especially capital and intermediate goods, with consumer goods evolving much as forecast.

The industrial confidence indicator (ICI) fell in May back to the levels seen in September 2010. The PMI of the manufacturing industry fell (2.4 points) for the second consecutive month. Considering the April IPI and the May ICI, The IPI forecasts have been revised downwards.

Considering the new information, the IPI in 2011 and 2012 is expected to register average annual rates of 0.2% and 1.3%, respectively, 1.2 and 1.6 pp less than the previous forecast. The worst prognosis for 2011 is for consumer goods, especially durable goods, which will registered an average annual reduction of 7.9%, and energy, for which we expect a decline of 1.9%. Intermediate and capital goods will grow in 2011. In 2012 all the major IPI groups are expected to register positive average annual growth rates.

With regards to the labour market, the SS contributor and registered unemployment figures in April and May were relatively worse, as were most of the other activity indicators, so the Spanish economy is very likely to register deceleration relative to the previous quarter. SS contributors in May rose by 118,000, although in terms corrected for seasonality there was a reduction of around 10,000, equivalent to a monthly rate of -1%. Relative to a year earlier, there was also a decrease of 1%. In May, registered unemployment fell by around 80,000 people, favoured by the season. When corrected,

All the indicators continue to point to a weak domestic demand.

Average annual GDP growth is still forecast at 0.7% for this year and reduced marginally to 1.3% for the next.

The IPI in 2011 and 2012 is expected to register average annual rates of 0.2% and 1.3%, respectively, 1.2 and 1.6 pp less than the previous forecast.

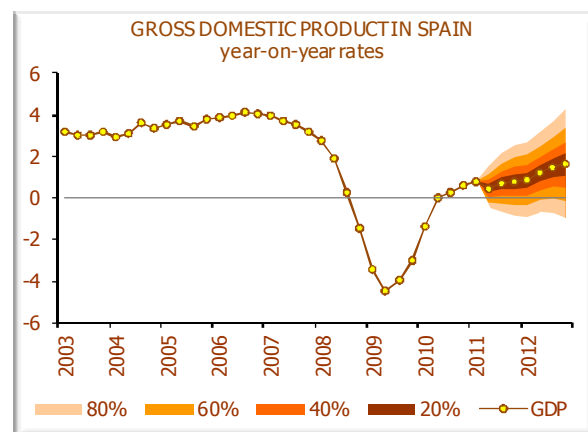


however, it represents an increase of around 30,000 unemployed.

Our forecast year-on-year employment rate for the second quarter EPA is -0.9%, with an unemployment rate of 21%. In view of the SS contributors figures in April and May, however, this forecast may be optimistic, particularly with regards to employment.

The SS contributor and registered unemployment figures in April and May were relatively worse, as were most of the other activity indicators,

Graph IV.1.1



Source: INE & IFL (UC3M)

Date: June 30, 2011

Graph IV.1.1

INDUSTRIAL PRODUCTION INDEX IN SPAIN				
Average annual rates				
	2009	2010	2011	2012
Consumption	-8.8	0.9	-1.7	0.3
Durable	-28.3	-7.4	-7.9	0.9
Non-durable	-5.5	1.9	-1.0	0.2
Capital	-22.5	-3.3	0.7	0.7
Intermedite	-21.4	2.7	2.7	2.7
Enery	-8.6	2.5	-1.9	0.8
TOTAL	-16.2	0.9	0.2 (±1.9)	1.3 (±3.2)
GVA Industry	-13.6	0.9	4.2	2.1

Source: INE & IFL (UC3M)

Date: June 21, 2011



GROSS DOMESTIC PRODUCT IN THE SPAIN: DEMAND

GROSS DOMESTIC PRODUCT IN SPAIN													
Annual rates of growth													
		Final Consumption		Gross Capital Formation				Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP	
		Private	Public	Equipment	Building	Other							
ANNUAL AVERAGE	2006	3.8	4.6	9.9	6.0	7.5	7.2	5.5	6.7	10.2	-1.4	4.0	
	2007	3.7	5.5	10.4	3.2	0.8	4.5	4.4	6.7	8.0	-0.8	3.6	
	2008	-0.6	5.8	-2.5	-5.9	-4.1	-4.8	-0.6	-1.1	-5.3	1.5	0.9	
	2009	-4.3	3.2	-24.8	-11.9	-16.2	-16.0	-6.4	-11.6	-17.8	2.7	-3.7	
	2010	1.3	-0.7	1.8	-11.1	-8.2	-7.6	-1.2	10.3	5.4	1.0	-0.1	
	2011	0.5	0.2	1.3	-9.4	-0.3	-5.2	-0.9	10.5	4.1	1.6	0.7 (±0.6)	
	2012	1.3	0.0	5.5	-4.0	0.5	-0.8	0.5	6.0	2.9	0.7	1.3 (±1)	
ANNUAL RATES	2010	QI	-0.3	-1.1	-4.6	-11.4	-15.8	-10.5	-3.0	9.4	2.0	1.6	-1.4
		QII	2.2	-0.1	8.7	-11.3	-11.0	-6.7	-0.3	11.9	9.6	0.3	0.0
		QIII	1.6	-0.7	2.4	-11.2	-3.0	-6.7	-0.7	9.4	5.0	0.9	0.2
		QIV	1.7	-0.9	1.2	-10.6	-1.5	-6.1	-0.6	10.5	5.3	1.2	0.6
	2011	QI	0.7	1.1	0.3	-10.2	-0.1	-5.8	-0.7	11.2	5.2	1.5	0.8
		QII	-0.3	-0.8	-2.4	-10.5	0.7	-6.6	-2.1	10.5	0.7	2.5	0.5
		QIII	0.8	-0.2	3.8	-9.4	-1.1	-4.8	-0.7	11.7	5.8	1.4	0.7
		QIV	0.8	0.6	3.8	-7.4	-0.8	-3.5	-0.2	8.9	4.8	1.0	0.8
	2012	QI	1.0	-1.0	5.2	-5.7	-0.3	-2.2	-0.2	5.5	1.5	1.0	0.9
		QII	1.2	-0.1	5.2	-4.6	0.2	-1.3	0.4	6.2	3.0	0.8	1.2
		QIII	1.4	0.3	5.7	-3.4	0.8	-0.3	0.8	6.2	3.5	0.6	1.4
		QIV	1.5	0.6	6.1	-2.3	1.3	0.5	1.1	6.1	3.8	0.5	1.6

GROSS DOMESTIC PRODUCT IN SPAIN													
Annual and quarterly rates of growht													
		Final Consumption		Gross Capital Formation					Domestic Demand (1)	Exports of goods and services	Imports of goods and services	Foreign Demand (1)	Real GDP
		Private	Public	Equipment	Building	Other							
ANNUAL AVERAGE	2006	3.8	4.6	9.9	6.0	7.5	7.2	5.5	6.7	10.2	-1.4	4.0	
	2007	3.7	5.5	10.4	3.2	0.8	4.5	4.4	6.7	8.0	-0.8	3.6	
	2008	-0.6	5.8	-2.5	-5.9	-4.1	-4.8	-0.6	-1.1	-5.3	1.5	0.9	
	2009	-4.3	3.2	-24.8	-11.9	-16.2	-16.0	-6.4	-11.6	-17.8	2.7	-3.7	
	2010	1.3	-0.7	1.8	-11.1	-8.2	-7.6	-1.2	10.3	5.4	1.0	-0.1	
	2011	0.5	0.2	1.3	-9.4	-0.3	-5.2	-0.9	10.5	4.1	1.6	0.7 (±0.6)	
	2012	1.3	0.0	5.5	-4.0	0.5	-0.8	0.5	6.0	2.9	0.7	1.3 (±1)	
QUARTERLY RATES	2010	QI	0.9	-0.5	0.9	-3.0	-1.7	-1.8	0.1	4.4	4.0	0.0	0.1
		QII	1.5	1.1	4.4	-2.1	-1.3	-0.3	1.1	1.4	4.2	-0.7	0.3
		QIII	-1.0	-0.7	-5.1	-2.9	1.5	-2.8	-1.2	0.5	-4.3	1.2	0.0
		QIV	0.3	-0.7	1.2	-3.1	0.0	-1.4	-0.3	3.9	1.6	0.5	0.2
	2011	QI	0.0	1.4	0.0	-2.5	-0.3	-1.4	0.1	5.0	3.9	0.2	0.3
		QII	0.4	-0.7	1.6	-2.4	-0.5	-1.1	-0.3	0.7	-0.3	0.3	0.0
		QIII	0.2	-0.2	1.0	-1.8	-0.3	-0.9	-0.1	1.6	0.5	0.3	0.2
		QIV	0.3	0.1	1.2	-0.9	0.2	-0.2	0.1	1.4	0.6	0.2	0.3
	2012	QI	0.2	-0.2	1.3	-0.8	0.3	-0.1	0.1	1.7	0.6	0.3	0.4
		QII	0.5	0.2	1.7	-1.2	0.0	-0.2	0.3	1.4	1.2	0.0	0.3
		QIII	0.4	0.2	1.4	-0.5	0.3	0.1	0.3	1.6	1.0	0.1	0.4
		QIV	0.3	0.3	1.6	0.1	0.7	0.6	0.4	1.3	0.9	0.1	0.5

Data adjusted for seasonality and working days effect

*The figures in the shaded area are forecasts

(1)Contribution to GDP growth

Quarter-on-quarter rates

Source: INE & BIAM (UC3M)

Date: June 30, 2011



GROSS DOMESTIC PRODUCT IN THE SPAIN: SUPPLY

GROSS DOMESTIC PRODUCT IN SPAIN											
Annual rates of growth											
		Gross Value Added								Tax	Real GDP
		Agriculture	Energy	Industry	Construction	Market services	Non-market services				
ANNUAL AVERAGE	2006	5.8	1.3	1.9	4.7	4.6	4.0	4.1	3.7	4.0	
	2007	7.1	0.9	0.8	2.5	4.9	4.8	3.9	0.9	3.6	
	2008	-2.1	5.8	-2.7	-1.6	1.7	4.7	1.1	-1.1	0.9	
	2009	1.0	-6.4	-13.6	-6.2	-1.9	2.1	-3.5	-6.0	-3.7	
	2010	-1.3	3.0	0.9	-6.3	0.4	0.8	-0.2	0.6	-0.1	
	2011	3.4	2.1	4.2	-4.5	0.9	-0.1	0.7	-0.2	0.7 (±0.6)	
	2012	3.0	1.1	2.1	-0.2	1.4	1.0	1.3	0.8	1.3 (±1)	
ANNUAL RATES	2010	QI	-1.2	0.1	-2.0	-6.4	-1.0	0.8	-1.4	-1.0	-1.4
		QII	-2.1	0.6	2.5	-6.5	0.3	0.9	-0.2	1.7	0.0
		QIII	-2.2	4.6	1.7	-6.6	0.9	0.7	0.2	0.8	0.2
		QIV	0.3	6.6	1.4	-5.8	1.3	0.7	0.6	1.0	0.6
	2011	QI	0.3	3.6	3.9	-5.4	1.5	0.2	0.9	-0.6	0.8
		QII	3.1	2.6	2.7	-5.2	1.1	-0.5	0.5	-0.8	0.5
		QIII	5.8	1.2	4.9	-3.9	0.4	0.0	0.7	0.5	0.7
		QIV	4.4	0.8	5.1	-3.3	0.7	-0.2	0.8	0.1	0.8
	2012	QI	3.9	0.9	1.0	-1.8	1.1	0.7	0.8	1.1	0.9
		QII	3.7	1.0	2.4	-0.5	1.3	0.9	1.2	0.7	1.2
		QIII	2.2	1.1	2.3	0.4	1.6	1.0	1.5	0.7	1.4
		QIV	2.3	1.3	2.6	0.9	1.7	1.4	1.7	0.8	1.6

GROSS DOMESTIC PRODUCT IN SPAIN											
Annual and quarterly rates of growth											
		Gross Value Added							Tax	Real GDP	
		Agriculture	Energy	Industry	Construction	Market services	Non-market services				
ANNUAL AVERAGE	2006	5.8	1.3	1.9	4.7	4.6	4.0	4.1	3.7	4.0	
	2007	7.1	0.9	0.8	2.5	4.9	4.8	3.9	0.9	3.6	
	2008	-2.1	5.8	-2.7	-1.6	1.7	4.7	1.1	-1.1	0.9	
	2009	1.0	-6.4	-13.6	-6.2	-1.9	2.1	-3.5	-6.0	-3.7	
	2010	-1.3	3.0	0.9	-6.3	0.4	0.8	-0.2	0.6	-0.1	
	2011	3.4	2.1	4.2	-4.5	0.9	-0.1	0.7	-0.2	0.7 (±0.6)	
	2012	3.0	1.1	2.1	-0.2	1.4	1.0	1.3	0.8	1.3 (±1)	
QUARTERLY RATES	2010	QI	0.9	3.2	2.3	-2.0	-0.2	-0.3	0.0	0.8	0.1
		QII	-1.8	1.1	0.5	-1.6	0.5	0.8	0.3	0.7	0.3
		QIII	-0.7	1.6	-1.5	-1.9	0.8	-0.2	0.0	-1.1	0.0
		QIV	2.0	0.5	0.2	-0.4	0.1	0.4	0.2	0.6	0.2
	2011	QI	0.9	0.3	4.8	-1.6	0.1	-0.8	0.4	-0.8	0.3
		QII	0.9	0.1	-0.7	-1.4	0.1	0.1	-0.1	0.5	0.0
		QIII	1.9	0.3	0.5	-0.6	0.1	0.3	0.2	0.2	0.2
		QIV	0.5	0.1	0.4	0.2	0.4	0.2	0.3	0.2	0.3
	2012	QI	0.5	0.3	0.7	0.0	0.4	0.1	0.4	0.2	0.4
		QII	0.7	0.2	0.6	0.0	0.3	0.3	0.3	0.1	0.3
		QIII	0.5	0.3	0.5	0.3	0.5	0.4	0.5	0.2	0.4
		QIV	0.6	0.4	0.7	0.7	0.4	0.6	0.5	0.3	0.5

Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts

(1)Contribution to GDP growth

Quarter-on-quarter rates

Source: EUROSTAT & BIAM (UC3M)

Date: June 30, 2011



INDUSTRIAL PRODUCTION INDEX IN SPAIN

INDUSTRIAL PRODUCTION INDEX AND SECTORS IN SPAIN										
Annual rates of growth										
		Consumer Goods								
		Durable	Non Durable	Total	Capital Goods	Intermediate Goods	Energy	Non-Energy	TOTAL	
ANNUAL AVERAGE	2006	8.3	0.9	2.1	7.7	3.6	0.9	4.1	3.7	
	2007	3.4	2.0	2.2	5.0	1.6	0.8	2.6	2.4	
	2008	-16.5	-2.2	-4.6	-8.7	-11.0	1.6	-8.4	-7.1	
	2009	-28.3	-5.5	-8.8	-22.5	-21.4	-8.6	-17.4	-16.2	
	2010	-7.4	1.9	0.9	-3.3	2.7	2.5	0.6	0.9	
	2011	-7.9	-1.0	-1.7	0.7	2.7	-1.9	0.6	0.2 (±1.9)	
	2012	0.9	0.2	0.3	0.7	2.7	0.8	1.3	1.3 (±3.2)	
ANNUAL RATES*	2009	QI	-29.6	-8.2	-11.4	-28.3	-28.9	-8.3	-8.3	-21.0
		QII	-35.9	-8.6	-12.9	-28.6	-28.2	-10.5	-10.5	-21.9
		QIII	-28.8	-4.2	-7.5	-19.6	-18.6	-6.8	-6.8	-13.9
		QIV	-17.1	-0.6	-2.9	-11.2	-6.0	-8.7	-8.7	-6.5
	2010	QI	-12.0	1.8	0.2	-2.6	2.1	-0.8	-0.8	0.1
		QII	-1.6	4.1	3.5	-0.7	7.5	1.9	1.9	3.8
		QIII	-5.3	0.8	0.2	-6.5	0.7	4.2	4.2	-0.4
		QIV	-10.2	1.0	-0.3	-3.5	0.5	5.0	5.0	0.1
	2011	QI	-8.7	1.0	-0.1	4.2	6.6	0.8	0.8	3.1
		QII	-12.4	-0.9	-2.2	0.2	0.8	-1.7	-1.7	-0.6
		QIII	-7.0	-1.4	-1.9	0.3	2.1	-4.0	-4.0	-0.5
		QIV	-3.3	-2.6	-2.7	-2.0	1.4	-2.8	-2.8	-1.2
	2012	QI	1.7	0.3	0.5	-0.3	2.1	0.3	0.3	0.9
		QII	0.8	0.3	0.4	0.9	3.2	1.2	1.2	1.6
		QIII	-1.7	-1.5	-1.5	-0.8	1.4	0.6	0.6	0.0
		QIV	2.7	1.5	1.6	3.0	3.9	1.2	1.2	2.6

INDUSTRIAL PRODUCTION INDEX IN SPAIN							
Annual rates of growth							
	2006	2007	2008	2009	2010	2011	2011
January	7.2	6.6	-0.8	-24.5	-5.0	5.0	2.7
February	4.1	3.0	3.8	-24.3	-1.9	3.3	2.3
March	12.4	1.0	-15.3	-13.5	6.8	1.4	-2.0
April	-9.4	5.1	12.0	-28.4	3.0	-4.1	3.4
May	6.7	3.3	-8.4	-22.3	5.1	2.5	3.2
June	4.8	0.1	-10.9	-14.3	3.2	-0.3	-1.7
July	3.7	4.5	-1.9	-16.9	-2.3	-1.9	3.3
August	3.0	2.4	-11.5	-10.6	3.4	-0.3	0.8
September	0.6	-1.3	-4.7	-12.7	-1.1	0.9	-4.0
October	6.6	5.3	-12.2	-12.8	-3.5	0.8	6.0
November	3.6	-0.8	-18.3	-4.0	3.4	-0.8	0.9
December	0.8	0.2	-16.0	-1.5	0.4	-3.9	0.8

- Data adjusted for seasonality and working days effect

The figures in the shaded area are forecasts.

Source: INE & BIAM (UC3M)

Date: June 21, 2011



INDUSTRIAL PRODUCTION INDEX BY ECONOMIC ACTIVITIES IN SPAIN												
Annual rates of growth												
			Weights 2011	2011				Average rates				
				Jan	Feb	Mar	Apr	2010	2011	2012		
IPI Total	B Mining and quarrying	05 Mining of coal and lignite	0.4	-44.4	-64.0	-50.3	-43.4	9.0	-49.4	-29.7		
		08 Other mining and quarrying	1.4	10.4	9.9	7.3	-5.2	3.0	1.7	2.2		
			1.8	-3.8	-10.9	-9.0	-15.2	4.4	-11.0	-2.7		
	D Manufacture Industries	10 Manufacture of food products	10.7	1.9	-1.3	-7.2	-4.0	2.1	-1.4	0.3		
		11 Manufacture of beverages	3.3	-7.1	-0.8	-2.1	-9.7	-5.7	-2.3	1.8		
		12 Manufacture of tobacco products	0.4	-20.0	-5.8	-12.5	-34.3	-4.7	-16.2	-10.4		
		13 Manufacture of textiles	1.7	8.5	3.9	3.7	-2.2	7.4	1.9	2.6		
		14 Manufacture of wearing apparel	1.8	-11.5	-11.1	-12.1	-11.4	-8.7	-22.6	-27.5		
		15 Manufacture of leather and related products	0.9	3.5	2.1	1.1	4.3	3.7	-1.4	-5.2		
		16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	2.1	-1.6	-1.0	0.7	-9.1	-6.8	-4.6	-2.1		
		17 Manufacture of paper and paper products	2.6	0.0	5.6	5.6	-2.0	5.2	2.1	0.3		
		18 Printing and reproduction of recorded media	2.3	18.5	18.5	12.3	17.6	0.9	17.0	5.0		
		19 Manufacture of coke and refined petroleum products	3.5	10.4	17.8	0.4	7.7	1.3	1.3	1.2		
		20 Manufacture of chemicals and chemical products	5.8	10.4	6.6	9.8	-1.1	5.3	1.9	-0.3		
		21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	2.4	17.3	1.8	1.2	-15.8	9.7	3.4	5.5		
		22 Manufacture of rubber and plastic products	3.4	4.9	4.4	4.8	-1.9	8.3	3.8	5.4		
		23 Manufacture of other non-metallic mineral products	8.0	9.8	0.0	1.0	-6.5	-5.1	-3.1	-0.9		
		24 Manufacture of basic metals	4.3	9.0	12.9	9.8	-4.7	11.8	6.2	6.0		
		25 Manufacture of fabricated metal products, except machinery and equipment	10.7	3.4	10.7	6.9	-7.7	-6.3	1.9	3.1		
		26 Manufacture of computer, electronic and optical products	1.6	-9.1	-17.3	-16.6	-26.9	4.4	-20.0	-13.6		
		27 Manufacture of electrical equipment	3.7	9.8	11.3	5.2	-2.1	-2.4	3.4	2.7		
		28 Manufacture of machinery and equipment n.e.c.	5.4	14.0	16.5	2.8	0.4	-3.9	2.3	0.5		
		29 Manufacture of motor vehicles, trailers and semi-trailers	7.4	9.8	7.9	10.3	9.1	12.7	12.7	10.3		
		30 Manufacture of other transport equipment	2.1	-7.6	-16.9	-12.3	-19.4	-11.2	-11.7	-4.3		
		31 Manufacture of furniture	2.8	-3.8	-7.9	-4.4	-7.9	-8.2	-9.7	-6.3		
		32 Other manufacturing	1.8	6.0	2.2	0.4	-3.9	5.8	2.0	2.8		
		33 Repair and installation of machinery and equipment	0.3	-15.6	-18.3	-20.7	-18.2	-17.5	-8.0	-6.4		
					89.0	5.4	4.3	1.8	-3.9	0.7	0.7	1.5
		D Electricity, gas, steam and air conditioning supply			9.2	3.3	-2.3	-0.5	-5.5	3.0	-2.3	0.2
					100	5.0	3.3	1.4	-4.1	0.9	0.2	1.3

Source: INE & BIAM (UC3M)

Date: June 21, 2011



IV.2. INFLATION

The year-on-year core inflation rate in May, 2.1%, was in line with our forecasts, with the small upwards innovation in services nearly completely counteracting the moderate negative innovations in the other groups. The downwards innovation, however, together with more recent information, had led to a change of assumption in tobacco prices, which is responsible for the 1 tenth of a point reduction in our core inflation forecasts for 2011 and 2012, to 1.6% (± 0.25) and 1.3% (± 0.98), respectively.

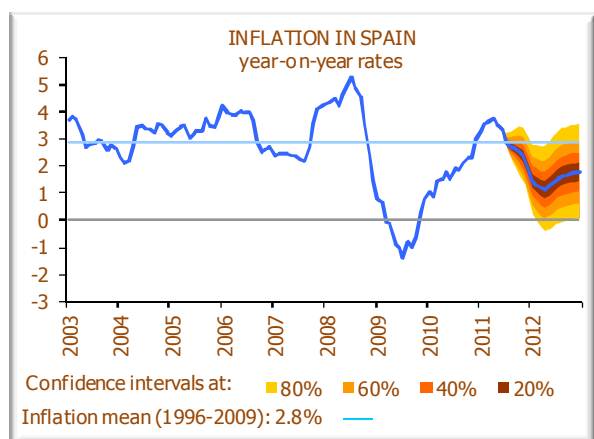
The other significant innovation in the core component was car prices, which unexpectedly stabilised in May. In view of the domestic demand and the sector's current problems, there is no other option than to make a further effort in prices.

In the residual component, fish and fuel prices grew significantly more than expected, leading to an upwards revision in our forecast for unprocessed food. However, the slight reduction of

energy prices last weeks motivated the reduction of our expectations for that group causing the downwards revision of our total inflation forecast down to 3.0% (± 0.41) for 2011 and 1.5% (± 1.45) for 2012.

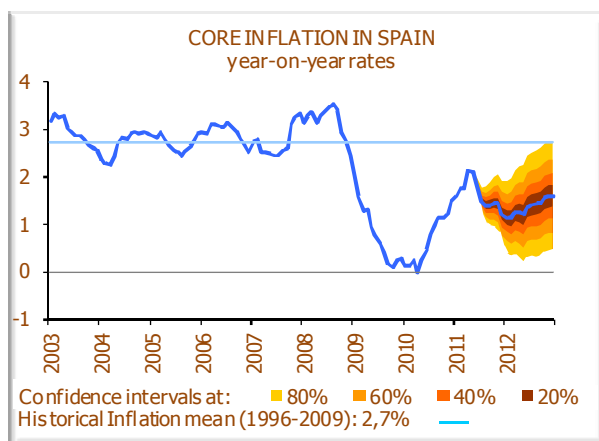
According to our estimates, May saw the peak of core inflation, which will now start to fall to a year-on-year rate of 1.2% by the end of 2012. The end of the effect of last July's VAT increase will be clearly seen in the core component as, in the same month this year, the year-on-year rate of variation will remain constant at around 1.4% for four consecutive months.

Trichet is pointing at a new ECB rate increase in July. Maintenance of an expansionary policy by the Fed, the BoE and the BoJ will continue to add upwards pressure to the euro to cover the euro area against the recent, and possibly future, increase in energy prices.



Source: INE & BIAM(UC3M)

Date: June 29, 2011



INFLATION IN SPAIN				
Annual rates, May, 2011				
Consumer Price Index CPI	Weights 2010	Observed	Forecasts	Confidence Intervals at 80%
Processed food	14,58	4,75	4,95	± 0.47
Non-energy industrial goods	28,51	0,92	1,01	± 0.31
Services	39,86	1,96	1,94	± 0.17
CORE	82,96	2,09	2,12	± 0.19
Non-processed food	6,45	2,75	2,35	± 0.94
Energy	10,60	15,33	14,46	± 0.7
RESIDUAL	17,04	10,52	9,59	± 0.71
TOTAL	100	3,51	3,43	± 0.17

Source: INE & BIAM(UC3M)

Date: June 14, 2011



INFLATION BY COMPONENTS IN THE CONSUMER PRICE INDEX OF SPAIN										
Annual average rates										
				Weights 2011	2007	2008	2009	2010	2011	2012
CPI Total	Core Inflation	Processed food	AE less tobacco & fats	11,4	4,5	7,4	-0,1	-1,2	2,0	2,6
			Oils & Fats	0,6	-16,8	2,2	-11,4	-2,6	-0,3	0,4
			Tobacco	2,0	8,8	3,5	11,7	15,0	9,8	3,1
				14,6	3,8	6,7	0,9	1,0	3,2	2,6
		Non energy industrial goods	Vehicles	5,0	1,4	-0,5	-3,8	-1,1	2,7	1,7
			Footwear	1,8	1,3	1,4	-0,4	0,5	0,8	0,4
			Clothing	6,6	0,9	0,4	-2,1	-0,6	0,3	0,2
			Rest	15,1	0,3	0,3	-0,1	-0,2	0,2	-0,1
				28,5	0,8	0,4	-1,2	-0,4	0,7	0,3
		Services	Postal services	0,0	3,6	2,8	2,8	4,5	3,6	2,0
			Cultural services	1,9	3,1	2,8	2,7	1,4	1,0	1,6
			Education	0,9	4,1	3,4	2,5	2,1	1,9	2,1
			Hotels	0,8	5,5	4,2	-1,4	0,2	1,3	1,4
			Health	2,6	4,2	4,1	3,9	2,7	2,5	2,6
			Household equipment	1,9	4,2	4,4	3,4	2,5	2,7	2,7
			Restaurants	11,4	4,8	4,7	2,2	1,3	1,6	1,5
			Telephone	3,8	0,3	0,6	0,1	-0,4	-0,1	0,0
			Transports	5,6	3,1	4,1	3,1	2,2	2,5	1,6
			Package holidays	1,5	0,6	4,5	0,2	-4,6	0,5	1,6
			University	0,5	5,3	5,2	5,3	3,3	3,2	3,7
			Housing	5,7	4,6	4,1	3,0	1,7	1,8	1,7
			Rest	3,3	3,9	3,8	2,4	1,6	2,1	2,1
				39,9	3,8	3,9	2,4	1,3	1,7	1,6
				83,0	2,7	3,2	0,8	0,6	1,6	1,3
	Residual Inflation	Non processed foods	Meat	2,5	5,2	3,9	-0,6	-1,9	2,7	3,8
			Fruits	1,2	4,5	9,4	0,3	-1,2	1,4	1,7
			Eggs	0,2	4,3	10,7	1,2	-1,1	-2,4	-1,0
			Vegetables	0,8	6,4	2,4	2,1	1,3	0,1	3,0
			Mollusc	0,5	0,1	-0,2	-2,2	3,2	6,0	4,5
			Potatoes	0,3	8,4	-1,7	-7,0	7,6	5,6	3,1
			Fish	1,1	2,5	1,2	-4,6	1,3	1,2	0,3
				6,4	4,5	3,8	-1,2	0,0	2,1	2,7
		Energy	Heat energy	6,1	1,4	13,0	-15,2	16,9	14,0	0,2
			Fuels	0,5	-0,8	23,5	-32,7	24,7	26,8	0,3
			Electricity and gas	4,1	2,1	8,7	2,1	4,2	13,4	4,4
				10,6	1,7	11,9	-9,0	12,5	14,4	1,9
				17,0	3,1	8,2	-5,2	7,4	9,5	2,2
				100,0	2,8	4,1	-0,3	1,8	3,0	1,5

* The figures in the shaded area are forecasts

Source: INE & BIAM(UC3M)

Date: June 29, 2011



CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN												
Annual rates of growth												
		Consumer Prices Index									TOTAL 100% Confidence intervals at 80% *	
		Core				Residual						
		Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services	TOTAL	Confidence intervals at 80% *	Non processed food	Energy	TOTAL		
Weights 2011		12,5%	2,1%	28,5%	39,9%	83,0%		6,4%	10,6%	17,0%		
AVERAGE ANNUAL RATES	2003	2,9	3,8	2,0	3,7	2,9		6,0	1,4	3,6	3,0	
	2004	3,3	5,6	0,9	3,7	2,7		4,6	4,8	4,7	3,0	
	2005	3,0	6,6	0,9	3,8	2,7		3,3	9,6	6,5	3,4	
	2006	3,9	1,5	1,4	3,9	2,9		4,4	8,0	6,3	3,5	
	2007	3,0	8,8	0,7	3,9	2,7		4,7	1,7	3,2	2,8	
	2008	6,9	3,5	0,3	3,9	3,2		4,0	11,9	8,5	4,1	
	2009	-0,7	11,7	-1,3	2,4	0,8		-1,3	-9,0	-5,4	-0,3	
	2010	-1,3	15,0	-0,4	1,3	0,6		0,0	12,5	7,4	1,8	
	2011	1,9	9,8	0,7	1,7	1,6	± 0,25	2,1	14,4	9,5	3,0	
	2012	2,5	3,1	0,3	1,6	1,3	± 0,98	2,7	1,9	2,2	1,5	
Year-on-year rates	2010	January	-1,9	16,6	-1,7	1,2	0,1		-3,2	11,4	5,6	1,0
		February	-2,0	17,2	-1,5	1,1	0,1		-3,8	9,9	4,5	0,8
		March	-1,9	17,2	-1,5	1,3	0,2		-2,2	13,9	7,5	1,4
		April	-2,0	17,1	-1,5	0,8	-0,1		-1,3	16,7	9,5	1,5
		May	-1,6	17,0	-1,1	1,0	0,2		-0,8	16,4	9,6	1,8
		June	-1,3	17,7	-0,8	1,0	0,4		0,5	10,9	6,8	1,5
		July	-1,0	11,7	-0,1	1,4	0,8		1,1	11,8	7,6	1,9
		August	-0,9	11,6	0,2	1,5	1,0		1,6	8,9	6,0	1,8
		September	-0,6	11,6	0,4	1,5	1,1		1,3	11,1	7,2	2,1
		October	-0,5	11,6	0,6	1,5	1,1		2,1	12,6	8,4	2,3
		November	-0,4	11,6	0,8	1,5	1,2		2,2	11,7	8,0	2,3
		December	-0,3	20,8	0,9	1,6	1,5		2,6	15,6	10,5	3,0
		January	0,1	21,9	0,7	1,6	1,6		2,3	17,6	11,7	3,3
		February	0,7	19,5	0,8	1,8	1,8		2,9	19,0	12,7	3,6
		March	1,1	19,5	0,7	1,7	1,7		3,1	18,9	12,8	3,6
		April	2,1	19,3	0,9	2,2	2,1		2,4	17,7	11,8	3,8
		May	2,3	19,3	0,9	2,0	2,1		2,7	15,3	10,5	3,5
		June	2,5	5,3	1,0	1,9	1,8	± 0,18	2,2	15,8	10,3	3,3
		July	2,6	4,2	0,5	1,6	1,5	± 0,29	1,9	14,3	9,3	2,8
		August	2,6	4,2	0,4	1,5	1,4	± 0,39	1,4	13,9	8,9	2,7
		September	2,5	4,3	0,5	1,5	1,4	± 0,47	1,4	13,0	8,4	2,6
		October	2,4	4,3	0,5	1,7	1,4	± 0,54	1,3	11,6	7,5	2,5
		November	2,3	4,3	0,5	1,7	1,4	± 0,61	1,6	10,0	6,6	2,3
		December	2,3	-3,5	0,4	1,7	1,2	± 0,69	1,9	6,9	4,9	1,9
	2011	January	2,3	-5,3	0,4	1,6	1,1	± 0,76	2,4	3,3	3,0	1,4
		February	2,3	-4,5	0,4	1,6	1,1	± 0,84	2,4	2,4	2,3	1,3
		March	2,5	-3,7	0,4	1,7	1,2	± 0,91	2,2	0,5	1,1	1,2
		April	2,4	-2,7	0,3	1,7	1,2	± 0,97	2,8	-0,6	0,7	1,1
		May	2,5	-1,9	0,3	1,6	1,2	± 1,03	2,7	1,0	1,6	1,2
		June	2,4	5,1	0,3	1,6	1,3	± 1,08	2,7	1,1	1,7	1,4
		July	2,5	6,5	0,3	1,6	1,4	± 1,10	2,9	2,0	2,3	1,5
		August	2,4	7,5	0,3	1,6	1,4	± 1,14	2,9	2,6	2,7	1,6
		September	2,5	8,3	0,3	1,6	1,4	± 1,14	2,9	2,7	2,8	1,7
		October	2,6	9,2	0,3	1,7	1,5	± 1,15	2,8	2,7	2,7	1,7
		November	2,6	10,2	0,3	1,7	1,6	± 1,16	2,8	2,6	2,6	1,8
		December	2,6	11,0	0,3	1,7	1,6	± 1,17	2,8	2,6	2,7	1,8

* Confidence intervals calculated with historical errors

*The figures in the shaded area are Forecasts

Source: INE & BIAM(UC3M)

Date: June 29, 2011



CONSUMER PRICE INDEX AND COMPONENTS IN SPAIN											
Monthly rates of growth											
			Consumer Prices Index								
			Core				TOTAL	Residual		TOTAL	TOTAL 100 %
			Processed food excluding tobacco	Tobacco	Non energy industrial goods	Services		Non processed food	Energy		
Weights 2011			12,5%	2,1%	28,5%	39,9%	83,0%	6,4%	10,6%	17,0%	
MONTHLY RATES (Growth of the month over the previous month)	January	2009	-0,1	2,7	-4,4	0,3	-1,4	0,3	-0,8	-0,4	-1,2
		2010	-0,2	1,8	-4,4	-0,1	-1,6	0,2	2,8	1,8	-1,0
		2011	0,2	2,8	-4,6	0,0	-1,5	0,0	4,6	2,8	-0,7
		2012	0,2	0,9	-4,5	-0,1	-1,6	0,5	1,1	0,9	-1,1
	February	2009	-0,3	1,6	-0,6	0,2	-0,1	-0,7	1,3	0,5	0,0
		2010	-0,4	2,1	-0,4	0,1	-0,1	-1,4	0,0	-0,5	-0,2
		2011	0,2	0,1	-0,4	0,3	0,1	-0,9	1,2	0,4	0,1
		2012	0,2	0,9	-0,4	0,3	0,1	-0,8	0,2	-0,2	0,0
	March	2009	-0,3	0,0	1,0	0,3	0,4	-1,3	-1,1	-1,2	0,2
		2010	-0,2	0,0	1,1	0,5	0,5	0,4	2,5	1,7	0,7
		2011	0,2	0,0	1,0	0,3	0,5	0,5	2,4	1,7	0,7
		2012	0,4	0,9	1,1	0,4	0,6	0,3	0,5	0,4	0,6
	April	2009	-0,3	0,1	2,7	0,6	1,2	-0,4	0,3	0,0	1,0
		2010	-0,4	0,0	2,7	0,1	0,9	0,5	2,7	1,9	1,1
		2011	0,5	-0,1	2,9	0,5	1,3	-0,1	1,7	1,0	1,2
		2012	0,4	0,9	2,7	0,6	1,3	0,6	0,6	0,6	1,2
	May	2009	-0,5	0,1	0,3	-0,3	-0,1	-0,5	0,9	0,3	0,0
		2010	-0,1	0,0	0,6	-0,1	0,2	0,0	0,7	0,4	0,2
		2011	0,2	0,0	0,6	-0,3	0,1	0,4	-1,3	-0,7	0,0
		2012	0,2	0,9	0,6	-0,4	0,1	0,2	0,2	0,2	0,1
	June	2009	-0,2	6,1	-0,5	0,3	0,0	-0,8	4,4	2,4	0,4
		2010	0,1	6,7	-0,2	0,3	0,2	0,5	-0,5	-0,1	0,2
		2011	0,3	-5,8	-0,1	0,2	0,0	-0,1	-0,1	-0,1	-0,1
		2012	0,3	0,9	-0,1	0,2	0,1	-0,1	0,1	0,0	0,1
	July	2009	-0,3	6,0	-3,9	0,5	-1,1	-0,1	0,3	0,1	-0,9
		2010	0,0	0,5	-3,3	0,8	-0,7	0,6	1,1	0,9	-0,4
		2011	0,1	-0,5	-3,8	0,5	-1,0	0,2	-0,2	-0,1	-0,9
		2012	0,1	0,9	-3,8	0,5	-1,0	0,3	0,6	0,5	-0,7
	August	2009	0,1	0,0	-0,5	0,5	0,1	0,2	2,5	1,7	0,3
		2010	0,2	0,0	-0,2	0,6	0,3	0,7	-0,1	0,2	0,3
		2011	0,3	0,0	-0,2	0,4	0,2	0,2	-0,5	-0,2	0,1
		2012	0,3	0,9	-0,2	0,4	0,2	0,3	0,0	0,1	0,2
	September	2009	-0,2	0,0	0,8	-0,7	-0,1	0,3	-1,7	-1,0	-0,2
		2010	0,1	0,0	1,1	-0,7	0,0	0,1	0,2	0,2	0,1
		2011	0,0	0,1	1,1	-0,6	0,1	0,1	-0,5	-0,3	0,0
		2012	0,0	0,9	1,1	-0,6	0,1	0,1	-0,4	-0,2	0,0
	October	2009	0,0	0,0	2,7	-0,1	0,9	-0,5	0,0	-0,2	0,7
		2010	0,1	0,0	2,9	-0,2	0,9	0,3	1,3	0,9	0,9
		2011	0,0	0,0	2,9	0,0	1,0	0,1	0,1	0,1	0,8
		2012	0,0	0,9	2,9	0,1	1,0	0,0	0,0	0,0	0,9
	November	2009	0,1	0,0	1,4	-0,2	0,4	-0,1	1,9	1,2	0,5
		2010	0,2	0,0	1,5	-0,2	0,5	0,1	1,2	0,8	0,5
		2011	0,2	0,0	1,5	-0,2	0,5	0,4	-0,3	0,0	0,4
		2012	0,2	0,9	1,5	-0,1	0,5	0,4	-0,4	-0,1	0,4
	December	2009	0,1	0,0	-0,4	0,3	0,0	0,2	-0,6	-0,3	0,0
		2010	0,2	8,3	-0,3	0,4	0,3	0,6	2,8	2,0	0,6
		2011	0,2	0,1	-0,3	0,4	0,1	0,9	-0,1	0,3	0,1
		2012	0,2	0,9	-0,3	0,4	0,1	0,9	-0,1	0,3	0,2

* The figures in the shaded area are Forecasts

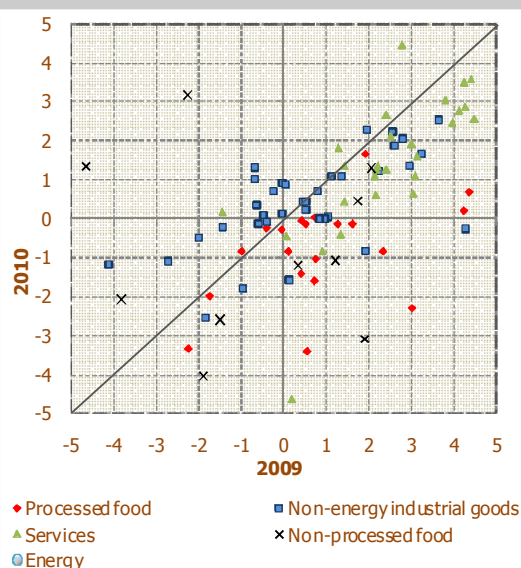
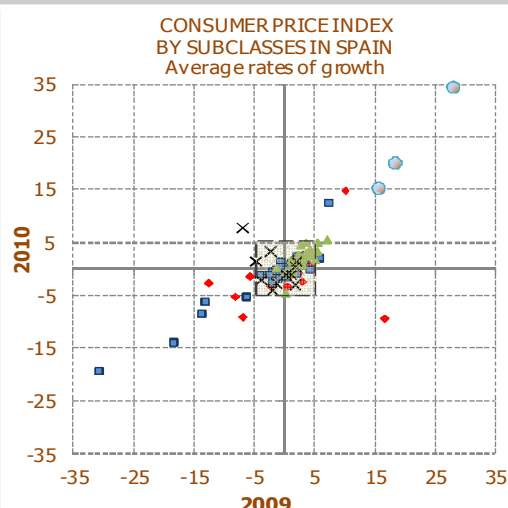
Source: INE & BIAM(UC3M)

Date: June 29, 2011



INFLATION FORECASTING BY SUBCLASS IN SPAIN

The tables and graphs show the observed values for 2008, 2009 and 2010 and Forecasts for 2011 and 2012, according to the five special groups.



The graph below zooms on the grey area marked in the previous figure.

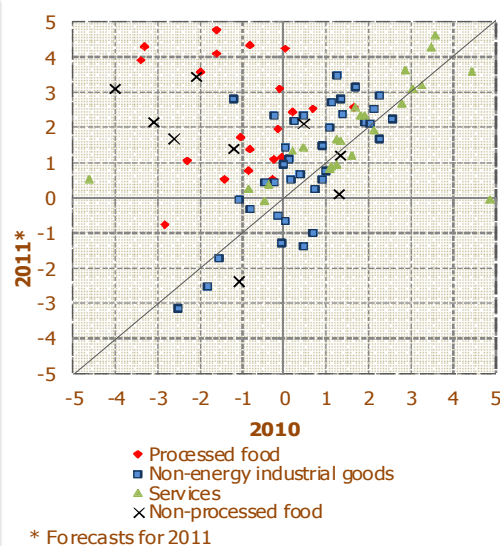
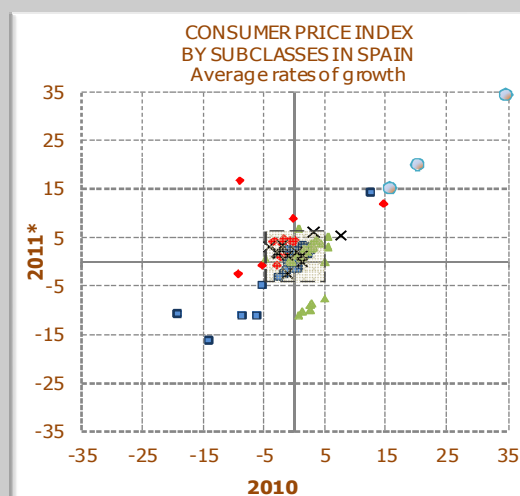
Source: EUROSTAT & BIAM (UC3M)

CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN					
Annual average rates of growth					
	2008	2009	2010	2011	2012
PROCESSED FOOD					
Rice	18,8	16,8	-9,4	-2,4	0,0
Flours and cereals	8,7	0,5	-3,4	3,9	3,4
Bread	8,9	0,0	-0,3	0,6	1,4
Pastry goods, cakes, mixes and doughs for bakery pi	7,5	1,6	-0,1	3,1	3,4
Farinaceous-based products	18,5	-5,8	-1,6	4,8	3,7
Delicatessen type meat products	3,3	0,4	0,0	1,2	2,5
Processed meat products	4,8	2,3	-0,8	1,4	2,9
Preserved and processed fish	5,3	0,7	0,0	4,3	4,2
Milk	15,6	-8,3	-5,2	-0,7	0,6
Other dairy products	7,6	-2,2	-3,3	4,3	3,0
Cheeses	10,0	-0,4	-0,2	1,1	3,0
Preserved fruits, nuts and dried fruits	2,1	0,4	-1,4	0,5	1,1
Dried pulses and vegetables	10,8	-1,0	-0,8	4,3	1,9
Frozen and preserved pulses and vegetables	7,8	0,7	-1,0	1,7	2,2
Sugar	0,3	-6,9	-9,0	16,8	1,6
Chocolates and confectionery	5,3	0,5	-0,1	2,0	3,8
Other food products	8,7	4,2	0,2	2,5	4,6
Baby food	3,7	-1,7	-2,0	3,6	5,4
Coffee, cocoa and infusions	7,1	1,3	-0,1	8,9	4,1
Mineral water, soft drinks, fruit and vegetable juices	4,0	3,0	-2,3	1,1	2,3
Spirits and liqueurs	4,5	1,9	1,7	2,6	3,7
Wines	4,7	0,1	-0,8	0,8	1,7
Beer	5,5	4,3	0,7	2,5	4,7
Tobacco	3,5	10,2	14,7	11,9	1,9
Butter and margarine	16,2	0,7	-1,6	4,1	3,1
Oils	1,1	-12,4	-2,8	-0,8	0,1
NON-ENERGY INDUSTRIAL GOODS					
Men's outerwear	0,1	-2,0	-0,5	0,4	0,3
Men's underwear	1,2	0,0	0,9	0,5	2,9
Women's outerwear	0,3	-2,7	-1,1	-0,1	0,1
Women's underwear	1,4	0,0	0,9	1,5	1,1
Children's and infants' garments	0,6	-1,4	-0,2	0,4	0,0
Clothing accessories of garments	1,4	-0,2	0,7	0,2	0,0
Men's footwear	1,3	0,0	0,1	0,5	0,5
Women's footwear	1,6	-0,7	1,0	0,8	0,6
Children's and infants' footwear	1,3	-0,5	0,1	1,1	0,8
Motor vehicles	-0,5	-4,1	-1,2	2,8	1,7
Other vehicles	-2,4	1,0	0,0	1,4	0,4
Spare parts and maintenance accessories	4,6	-0,7	1,3	2,8	3,0
Materials for the maintenance and repair of the dwe	5,1	3,0	1,4	2,4	2,4
Water supply	4,9	5,7	2,1	2,5	2,6
Furniture	3,9	1,1	1,1	2,0	2,7
Other equipments	2,7	0,5	0,4	2,3	2,1
Household textiles	2,2	0,5	0,2	2,2	1,5
Refrigerators, washing machines and dishwashers	-1,9	-1,0	-1,8	-2,5	-1,9
Cookers and ovens	-0,8	0,1	-1,6	-1,7	-1,3
Heating and air conditioning	-0,5	0,8	0,7	-1,0	-0,2
Other household appliances	-0,2	0,5	0,5	-1,4	-0,1
Glassware, crockery and cutlery	3,1	2,6	1,9	2,2	1,2
Other kitchen utensils and furnishing	3,7	2,6	2,2	1,7	2,2
Tools and accessories for house and garden	3,0	1,9	2,3	2,9	2,0
Cleaning household articles	1,7	1,9	-0,8	-0,3	0,6
Other non-durable household articles	2,7	1,4	1,1	2,7	1,8
Medicines and other pharmaceutical products	-6,5	-6,3	-5,3	-5,0	-3,5
Therapeutic appliances and equipment	3,6	1,0	0,0	-0,6	0,7
Telephone equipments	-25,7	-30,9	-19,3	-10,7	-20,2
Equip.for the reception, recording and reproduction i	-12,7	-13,7	-8,6	-11,1	-12,9
Photographic and cinematographic equipments	-18,0	-18,5	-14,0	-16,1	-22,0
Information processing equipments	-21,5	-13,3	-6,1	-10,9	-17,1
Recording media	-0,9	-0,4	-0,1	-1,3	-0,3
Games and toys	-0,4	-1,8	-2,5	-3,1	-1,8
Large sports equipment	0,6	4,3	-0,3	2,4	2,7
Other recreational and sporting articles	1,1	-0,6	-0,1	-0,5	0,0
Gardens, plants, flowers and pets	5,3	2,8	2,1	2,1	2,2
Books	2,0	2,2	1,2	3,5	2,4
Newspapers and magazines	2,2	3,6	2,6	2,2	1,7
Material de papeleria	3,7	3,2	1,7	3,2	2,4
Personal care articles	2,2	0,8	0,0	1,0	0,8
Jewellery, costume jewellery, clocks and watches	11,1	7,5	12,5	14,2	8,5
Other articles for personal use	1,1	-0,6	0,4	0,7	0,3

1. There exists a small aggregation caused by the fact that some sub-group contains goods and services that belong to different special groups.



CONSUMER PRICE INDEX BY SUBCLASS IN SPAIN					
Annual average rates of growth					
	2008	2009	2010	2011	2012
SERVICES					
Maintenance and repair services	4,8	4,1	2,8	2,7	2,1
Other services related to vehicles	3,3	1,3	-0,4	0,4	-1,2
Railway transport	3,7	5,5	4,9	0,0	-7,5
Road transport	4,2	5,3	1,7	2,6	1,9
Air transport	13,7	3,0	0,6	6,7	4,6
Other transport services	7,3	7,0	5,5	2,9	3,3
Insurances connected with transport	2,0	1,3	1,8	2,3	1,7
Restaurants, bars, coffee bars, canteens	4,7	2,2	1,3	1,7	1,5
Hotels and other lodgings	4,2	-1,4	0,2	1,3	1,4
Package holidays	4,5	0,2	-4,6	0,5	1,6
Higher education	5,2	5,3	3,3	3,2	3,7
Postal services	2,8	2,8	4,5	3,6	2,0
Telephone services	0,6	0,1	-0,4	-0,1	0,0
Rentals for housing	4,2	3,1	1,1	0,9	0,4
Services for the maintenance and repair of the dwell	5,1	1,4	0,4	1,4	1,5
Sewerage collection	3,4	3,8	3,0	3,1	3,2
Out-of-hospital medical and paramedical services	4,9	2,2	1,4	1,6	1,8
Dental services	3,2	2,4	1,3	1,0	0,5
Hospital services	3,4	0,9	-0,8	0,2	-0,1
Medical services	4,7	6,9	5,6	5,0	5,8
Recreational and sporting services	1,7	2,1	1,1	0,8	1,5
Cultural services	3,6	3,1	1,6	1,2	1,6
Education	3,4	2,5	2,1	1,9	2,1
Repair of footwear	6,2	4,2	3,5	4,3	4,9
Domestic service and other household services	4,8	3,0	1,9	2,3	2,6
Insurances connected with the dwelling	3,5	4,4	3,6	4,6	5,2
Personal care services	4,0	1,4	1,4	-10,4	-24,9
Social services	4,6	4,0	2,5	-9,8	-23,4
Other insurances	3,9	4,5	2,6	-8,8	-23,0
Financial services	4,7	3,6	5,1	-7,7	-23,6
Other services	2,2	2,2	0,6	-10,9	-24,7
Repair of household appliances	4,3	4,2	2,9	3,6	2,8
Repairs and cleaning of garments	4,7	2,4	2,7	-8,5	-23,3
NON-PROCESSED FOOD					
Beef	4,0	1,7	0,5	2,1	4,8
Pork	1,6	-3,8	-2,1	3,5	3,4
Mutton	5,3	1,9	-3,1	2,2	3,6
Poultry	4,3	-1,9	-4,0	3,1	2,8
Other meats, viscera and other non-meat edibles	7,0	-1,5	-2,6	1,7	4,6
Fresh fish	1,2	-4,6	1,3	1,2	0,3
Crustaceans and molluscs	-0,2	-2,2	3,2	6,0	4,5
Eggs	10,7	1,2	-1,1	-2,4	-1,0
Fresh fruits	9,4	0,3	-1,2	1,4	1,7
Fresh pulses and vegetables	2,4	2,1	1,3	0,1	3,0
Potatoes and processed potato products	-1,7	-7,0	7,6	5,6	3,1
ENERGY					
Electricity and gas	8,7	15,4	15,4	15,4	15,4
Other fuels	23,5	27,7	34,5	34,5	35,0
Fuels and lubricants	13,0	18,1	20,1	20,1	19,9



The graph below zooms on the grey area marked in the previous figure.

Source: EUROSTAT & BIAM (UC3M)

Date: June 29, 2011



IV.3. EVOLUTION OF THE PROFIT MARGIN IN THE SPANISH ECONOMY IN THE LAST FEW YEARS.

The economic crisis has led to an important decline in firms' profit or operating margins. The current adjustment, however, involved an improvement in business margins and, therefore, profits. In 2010 we are already seeing a recovery that is expected to continue in 2011, in view of the first quarter's results. All this is necessary for investment to recover and the creation of employment to commence. A sectoral analysis shows that the margins of the manufacturing industry and construction have been the most affected by the crisis, with that of services having received the lowest impact.

Following is an analysis of the evolution of the profit margin or mark-up of the Spanish economy in the last few years, primarily based on the National Accounts. From a macroeconomic perspective, a profit analysis is of interest for several reasons, including the fact that it is a relevant variable that has a long-term impact on firms' investment and employment decisions, and because its variations are usually closely related to inflation. An analysis of the evolution of profits is therefore a basic part of an analysis of the current situation and macroeconomic forecasting.

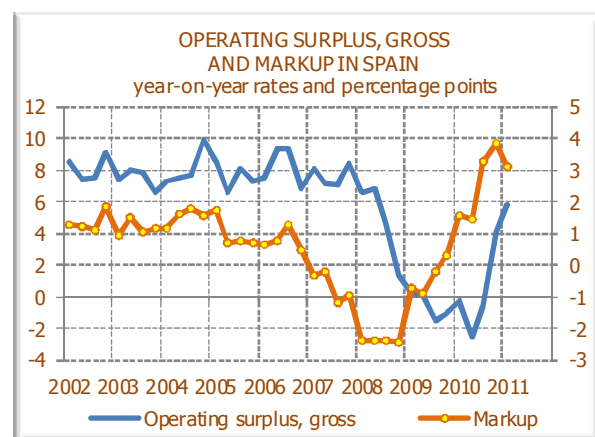
In general, there are no precise indicators for measuring profits but, in the context of the National Accounts, it is estimated that the gross operating surplus and mixed rents is an indirect form of calculating profits. It is well known that the surplus is calculated as the difference between the GDP and the remuneration of salaried employees, not including indirect taxes net of production grants. Besides the surplus and mixed rents, another alternative form of estimating profits that is often used is their participation in GDP.

In practice, there is a close relationship between the measurement of profits (gross operating surplus and mixed rents) and the profit margin on a macroeconomic level (see graph IV.3.1). For a company, the margin is the difference between the prices collected for goods and/or services sold and the costs incurred to produce them. A simple and practical way of estimating the profit margin on a macroeconomic level is the difference between variations of the GDP deflator to the cost of the factors and those of Unit Labour Cost (ULC). Note that this indicator is an approximation as it does not consider corporate income tax or interest payments, which are considered in operating surplus.

However, the use of the variation in the profit margin indicator has advantages over absolute measurements as, if the corporate tax and interest rates remain constant, the variation of margins will be very similar to that of the operating surplus. In turn, note that profit margins have an interesting economic interpretation, as they can be seen as a good inflation indicator, resulting from the combined effect of ULC and profit margin variations.

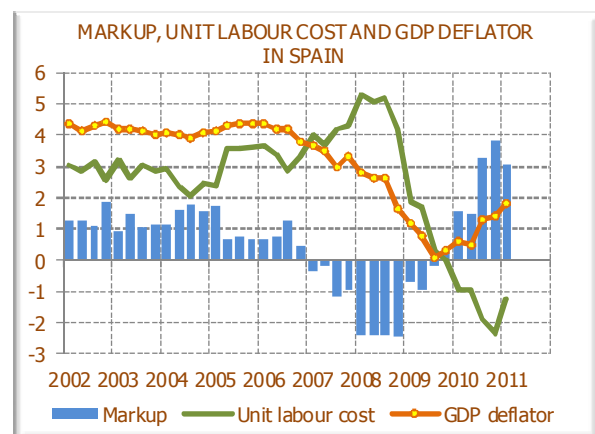
If we analyse the evolution of the profit margin in the last few years (see graph IV.3.2), we can see how it grew in the period before the current economic crisis. The GDP deflator grew more than the ULC and the year-on-year GDP deflator growth rate exceeded that of the ULC by more than one, and occasionally two, percentage point in most years. To a great extent, this was due to the Spanish economy joining the euro, which was

Graph IV.3.1



Source: INE & BIAM (UC3M)

Graph IV.3.2



Source: INE & BIAM (UC3M)



used by many firms to recover profits with the single currency, with great economic conditions, more credit available for many firms, the upwards effect of the rounding-up process, etc. The prolonged property boom was another factor that pushed business margins up.

The margin was lower than previous years in 2005 and 2006 but still positive. On the other hand, in 2007-2009 inclusive (the most intense years of the economic crisis) business profits shrank considerably. The ULC registered high growth in 2007 and 2008, as the GDP deflator decreased, resulting in a heavy reduction in demand. Furthermore, the economy's salary inertia, derived from a lack of response of salaries to the drop in activity and growing unemployment rate, did not allow the ULC to decrease in the first few years of the crisis. Profits may have reached their lowest point at the end of 2008 and fell with less intensity in 2009, in the last quarter of which there was even a slight recovery.

After the significant reduction in profit margins in those years of recession, they recovered considerably in 2010 and the first quarter of 2011 (see graph IV.3.2), in line with their usual procyclic evolution. In 2010 the ULC fell heavily (1.5%), after growing by 1% in 2009, as a result in the high productivity gains derived from the adjustment of employment and, to a lesser extent, reduction in labour costs; all this led to the recovery of business margins then, and in the first quarter of this year they continue to grow.

As we mentioned earlier, the profit margin is a good inflation indicator and its evolution depends on multiple factors, including demand, market conditions and competition and, ultimately, the pace at which selling prices adjust to production costs (primarily labour costs). It is clear that this speed of adjustment depends on the economic cycle or output gap, a measure than is not observed but estimated with a high degree of uncertainty. However, a good cycle indicator is the use of the manufacturing sector's productive capacity which, unlike the output gap, can be observed. Graph IV.3.3 presents the close relationship between the rate of variation of the use of productive capacity and mark-up.

As mentioned earlier, the profit margin is a good inflationist indicator. Table 1 shows the formation of the GDP deflator in the last few years. We can see how the gross operating surplus per product unit has registered very high growth since 2006, including the years of the, only falling in 2010. Its contribution to the GDP deflator was significant. Indeed, in 2008 the gross operating surplus per unit was responsible for 70% of GDP deflator growth. Except for 2007 and 2008, in the last few

years, business profits have contributed more to inflation than ULCs. Thanks to the VAT increase in 2010, the contribution of net indirect taxes to the GDP deflator was very important, 1.5 pp. Without that tax increase, the average annual growth rate of the deflator would have been negative.

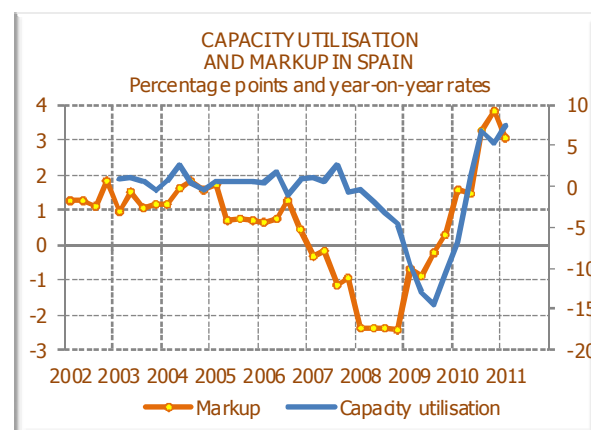
Analysing the evolution of business margins by major branches of activity, there are large differences this decade (see graph IV.3.4). Their reduction during the crisis was largely due to construction and the manufacturing industry, while services were only affected in 2010, probably due to the VAT increase, which they did not transfer to final prices.

Before the economic crisis, construction had very large operating margins thanks to plenty of cheap credit and a heavy housing demand, creating the property bubble. In some years, the difference between the deflator of the construction GVA and sectoral ULCs was four percentage points. In 2006, the margin was zero and in 2007 it was negative. The sector's adjustment in those two years led to margins being recovered in 2009 and 2010.

International competition is greater for manufactured goods, so their margins are smaller. Before the crisis, they were much smaller than those of construction and market services, and even negative in some years. The sector's adjustment to the crisis, however, enabled it to recover its margins in 2010.

Competition is lower in the service markets, so margins were not so affected by the crisis as other sectors. They were only negative in 2008 and recovered the following year. The drop in margins in 2010 was probably due to the VAT increase. In view of the reduced demand, many firms were forced to absorb the tax increase themselves.

Graph IV.3.3



Source: INE & EUROSTAT & BIAM (UC3M)



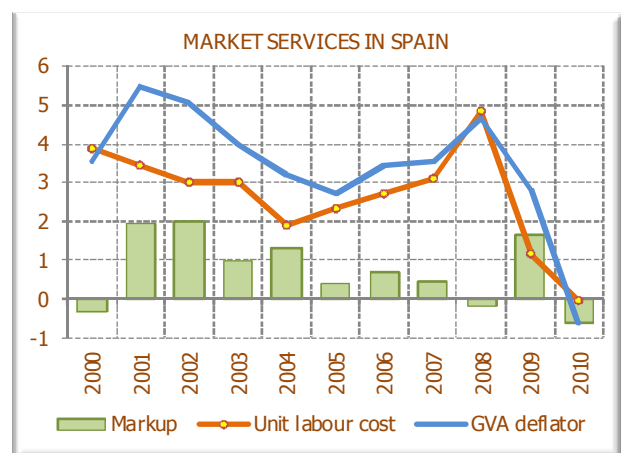
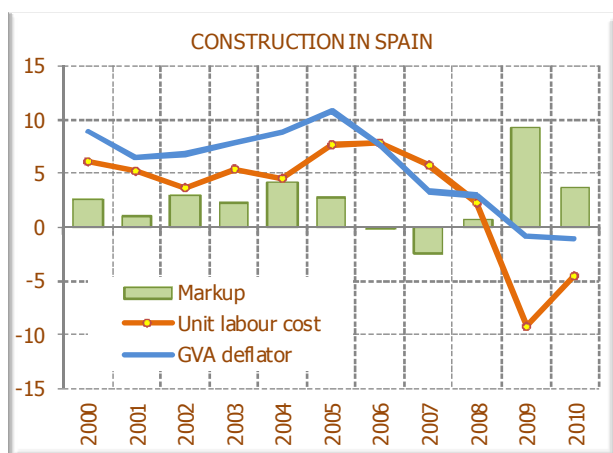
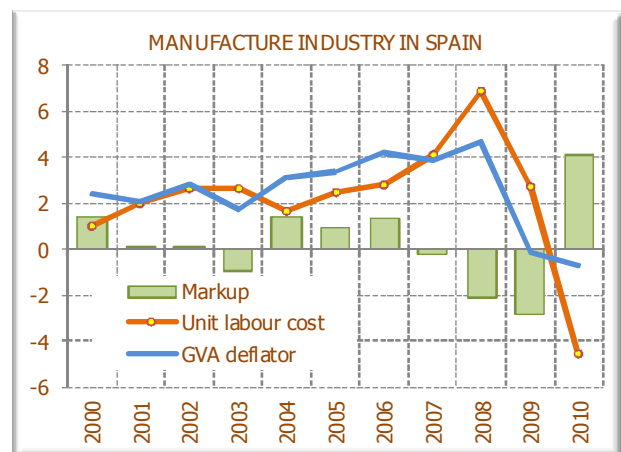
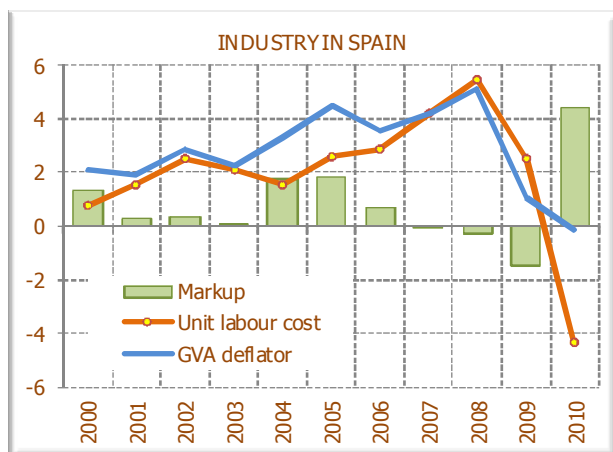
Spain. Evolution of the Profit Margin in the Spanish Economy in the last few years

Table IV.3.1

FORMATION OF GDP DEFLATOR Variation and contribution of each price component to the growth of GDP deflator Annual figures (corrected)										
Price component	2006		2007		2008		2009		2010	
	Variation %	Contrib. pp.	Variation %	Contrib. pp.	Variation %	Contrib. pp.	Variation %	Contrib. pp.	Variation %	Contrib. pp.
1. Compensation per employee (1a+1b)	3,66	1,74	4,37	2,06	4,89	2,33	1,03	0,50	-1,39	-0,68
1.a. Unit labour cost	3,30	1,56	4,03	1,90	4,90	2,34	0,98	0,48	-1,53	-0,75
1.b. Wage-earner rate	0,36	0,17	0,34	0,16	-0,01	0,00	0,05	0,03	0,14	0,07
2. Gross operating surplus	4,10	1,71	3,97	1,66	3,93	1,65	3,30	1,40	0,32	0,14
3. Net indirect taxes	6,23	0,68	-3,39	-0,38	-15,22	-1,58	-15,20	-1,31	20,81	1,51
4. GDP deflator (1+2+3)	4,12	4,12	3,34	3,34	2,40	2,40	0,60	0,60	0,97	0,97

Source: INE(CN) & BIAM (UC3M)

Graph IV.3.4



Source: INE(CN) & BIAM (UC3M)



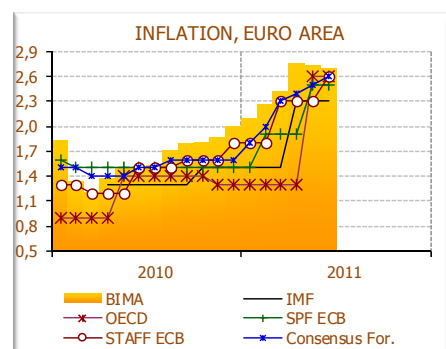
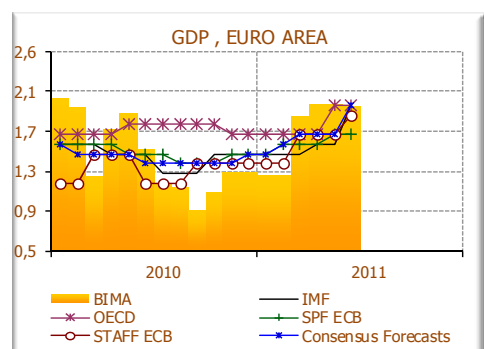
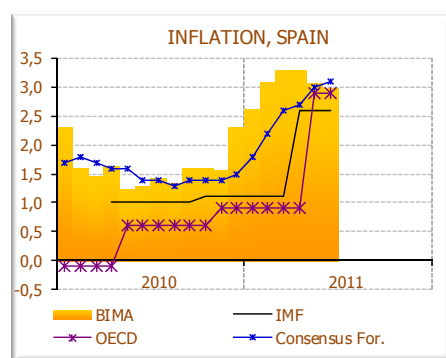
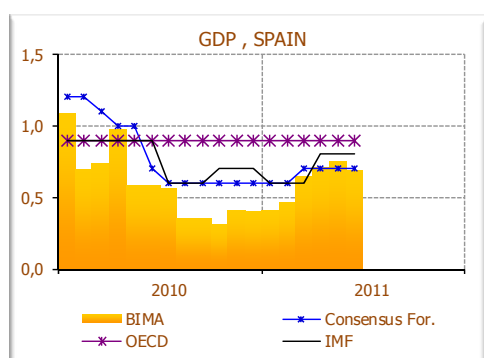
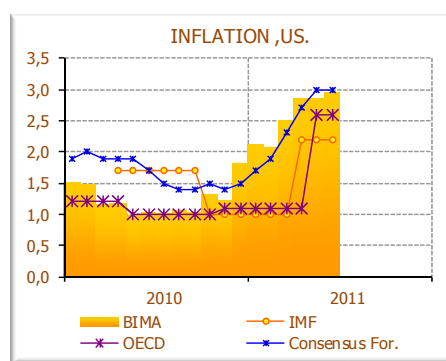
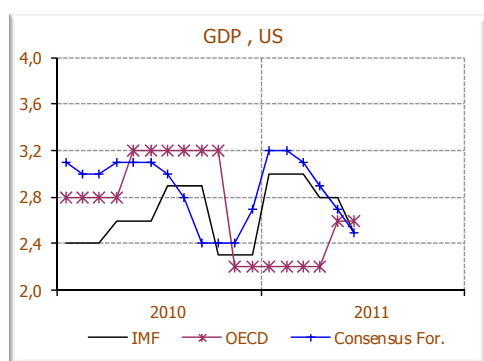
V. FORECASTS OF DIFFERENT INSTITUTIONS

FORECASTS FOR DIFFERENT INSTITUTIONS															
Annual average rates															
		UNITED STATES				SPAIN				EURO AREA					
		Consensus Forecasts ¹	BIMA ²	IMF ³	OECD ⁴	Consensus Forecasts	BIMA	IMF	OECD	Consensus Forecasts	BIMA	IMF	ECB SPF ⁵	ECB Staff ⁶	OECD ⁴
GDP	2011	2,5	-	2,5	2,6	0,7	0,7	0,8	0,9	2,0	2,0	2,0	1,7	1,9	2,0
	2012	3,1	-	2,7	3,1	1,3	1,3	1,6	1,6	1,7	1,6	1,7	1,7	1,7	2,0
CPI	2011	3,0	3,0	2,2	2,6	3,1	3,0	2,6	2,9	2,6	2,7	2,3	2,5	2,6	2,6
	2012	2,1	2,0	1,6	1,5	1,8	1,5	1,5	0,9	1,9	1,7	1,7	1,9	1,7	1,6

1. Consensus Forecasts, May, 2011.
2. BIMA. Bulletin of EU & US Inflation and Macroeconomic Analysis, May, 2011.
3. FMI. IPC: World Economic Outlook. April, 2011; GDP: June, 2011.
4. OCDE. Economic Outlook, May, 2011
5. BCE SPF, "Survey of Professional Forecasters", May, 2011.
6. BCE STAFF, staff macroeconomic projection for the Euro Area. Junio, 2011. Point forecast for interval.

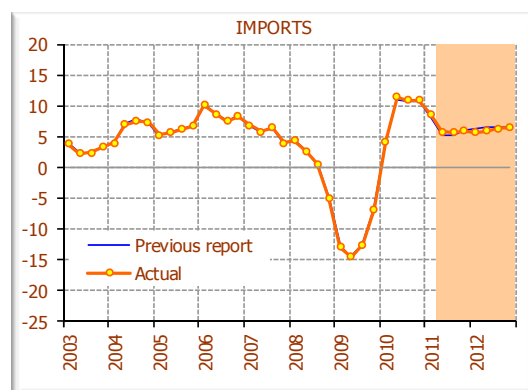
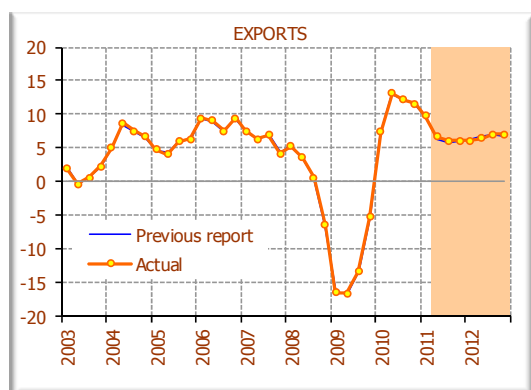
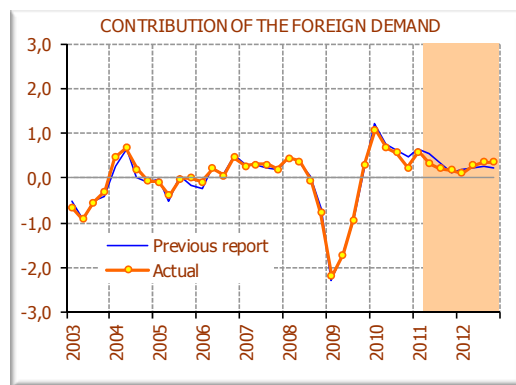
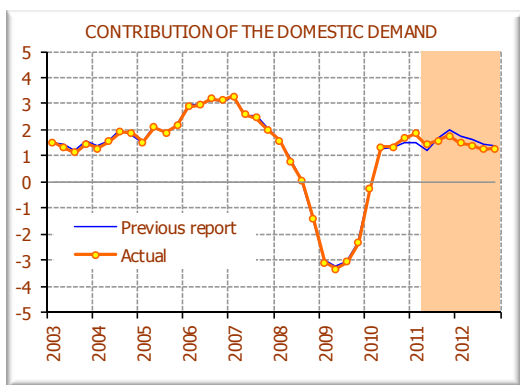
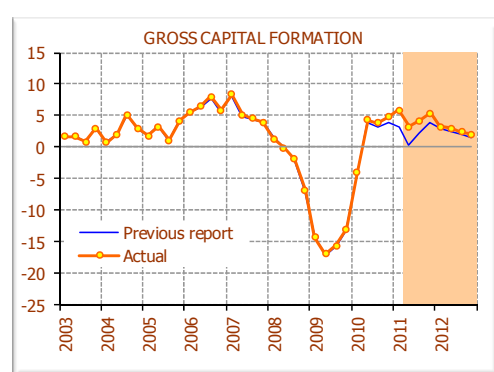
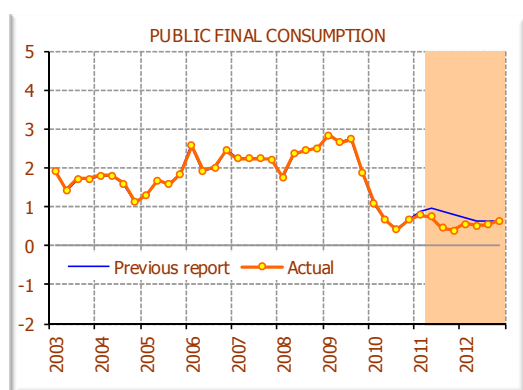
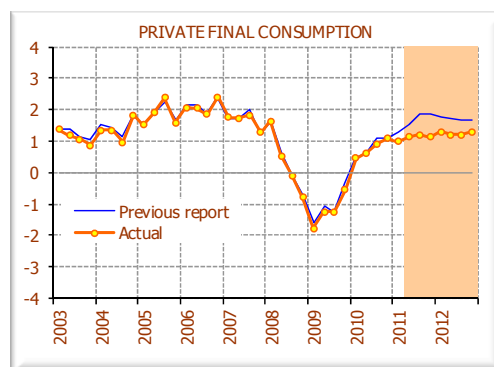
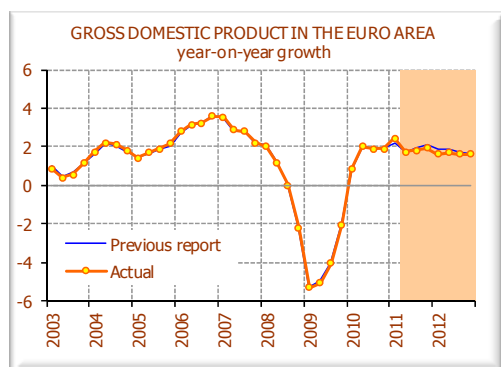
EVOLUTION OF FORECASTS FOR 2011

Annual average rates



COMPONENTS OF GROSS DOMESTIC PRODUCT DEMAND IN THE EURO AREA

Year-on-year rates



Source: EUROSTAT & BIAM (UC3M)

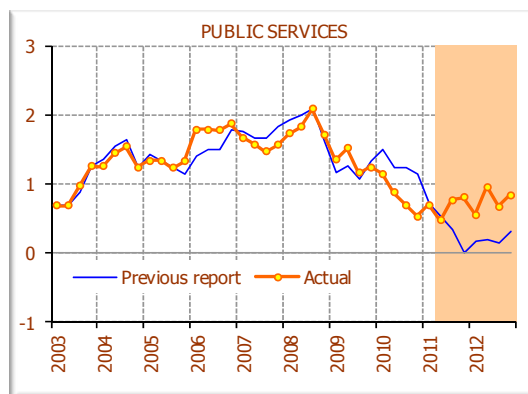
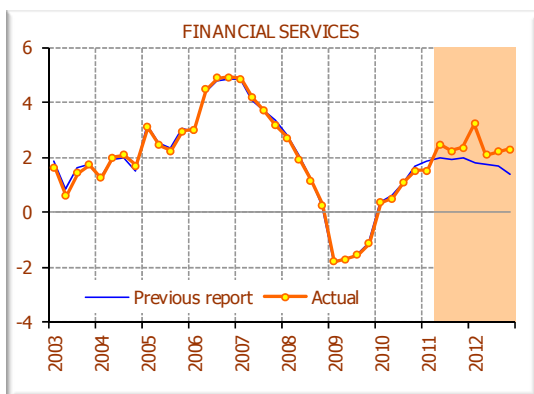
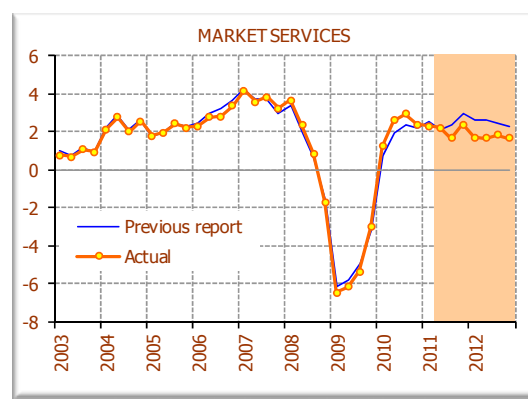
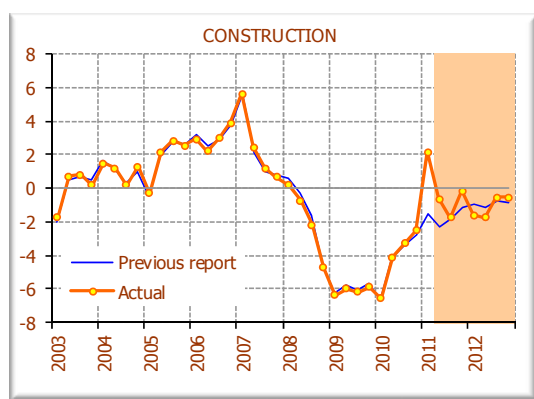
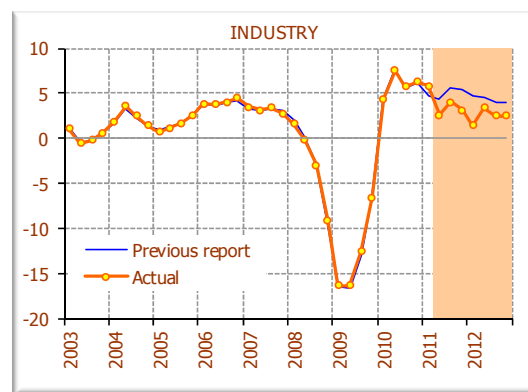
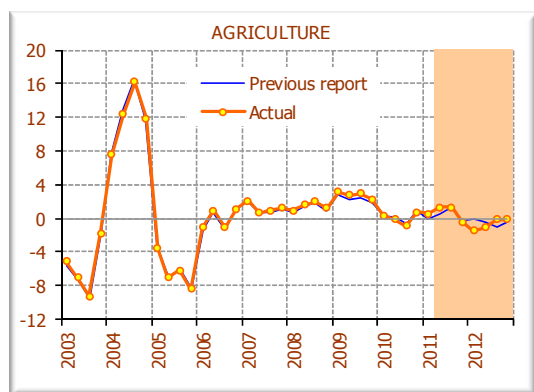
Date actual report: June 22, 2011

Date previous report: April 27, 2011



COMPONENTS OF GROSS DOMESTIC PRODUCT SUPPLY IN THE EURO AREA

Year-on-year rates



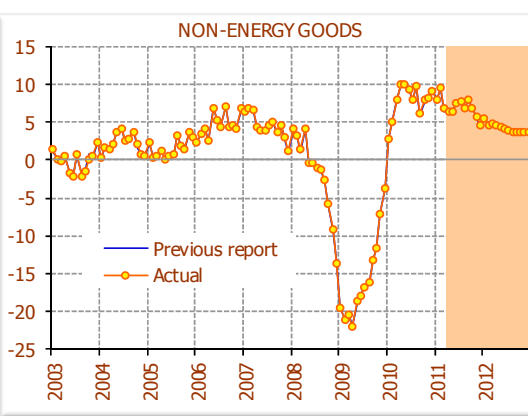
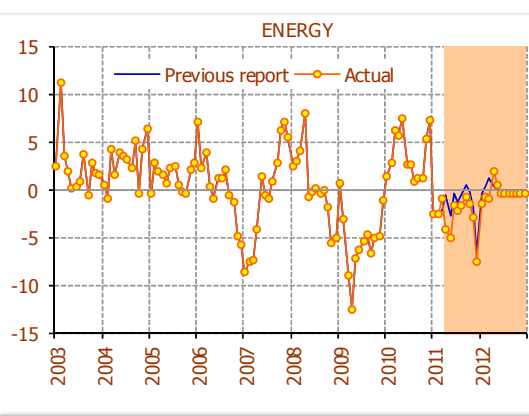
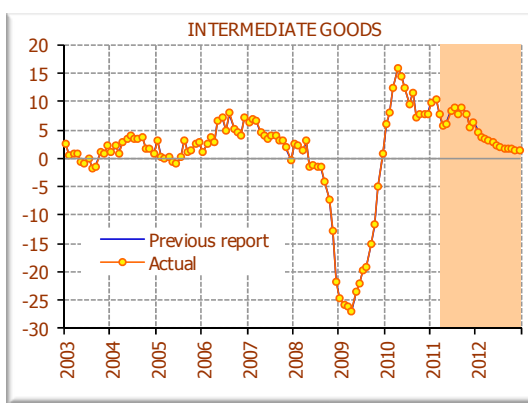
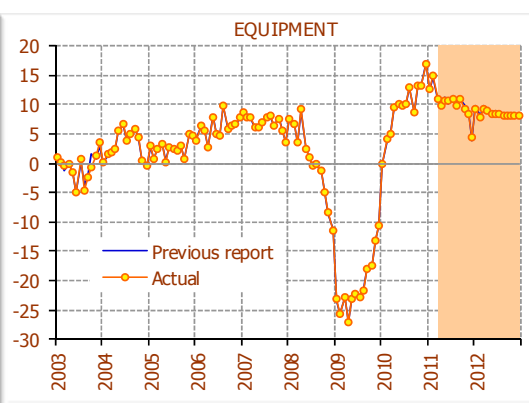
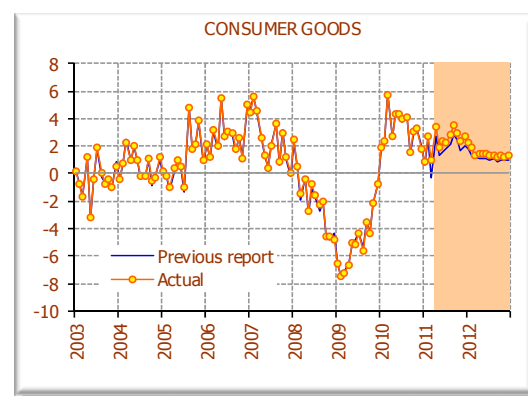
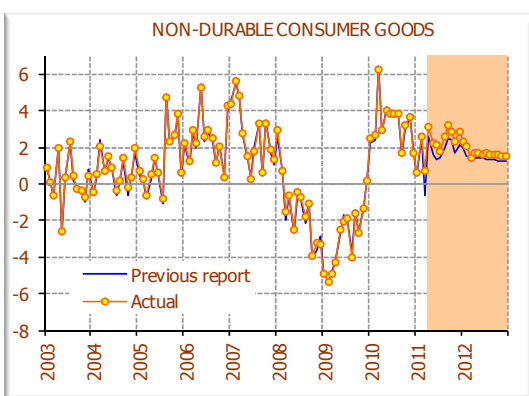
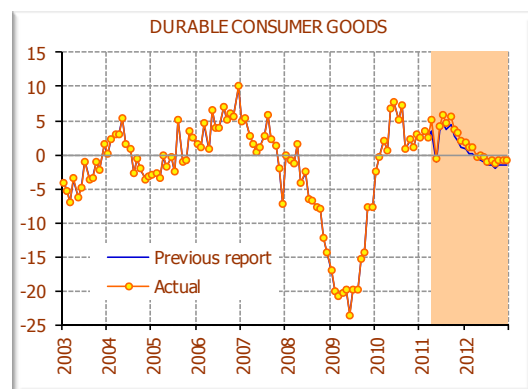
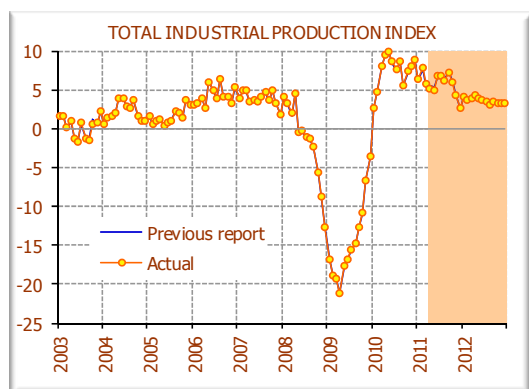
Source: EUROSTAT & BIAM (UC3M)

Date actual report: June 22, 2011

Date previous report: April 27, 2011



COMPONENTS OF INDUSTRIAL PRODUCTION INDEX IN THE EURO AREA



Source: EUROSTAT & BIAM (UC3M)

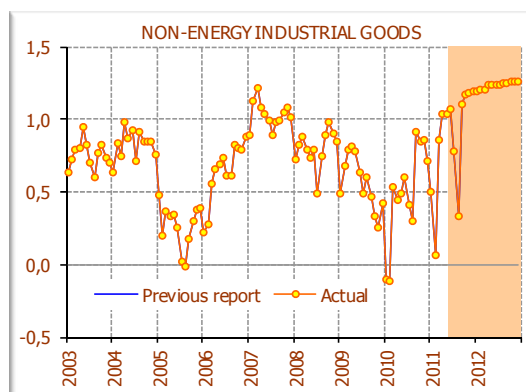
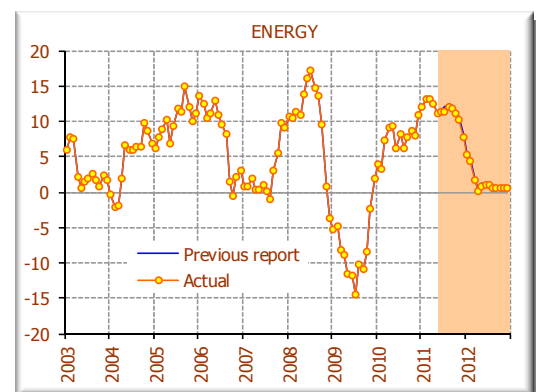
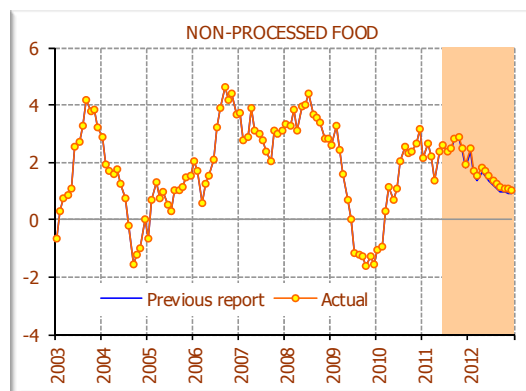
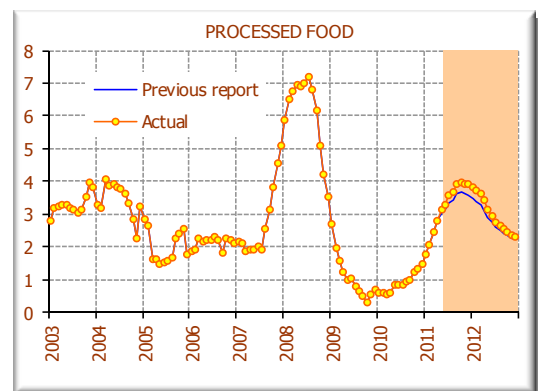
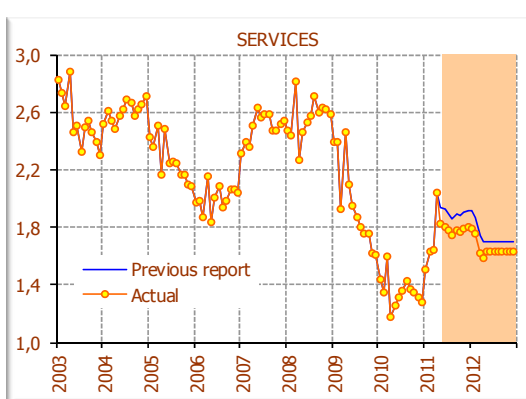
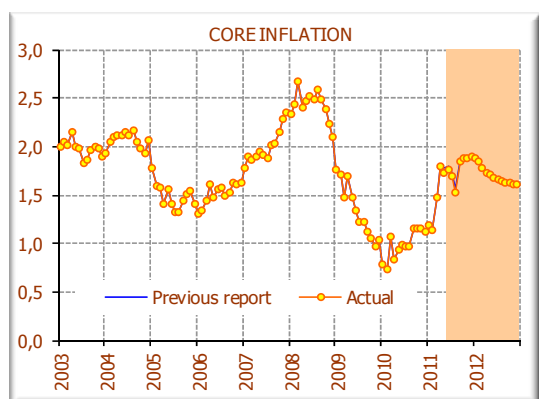
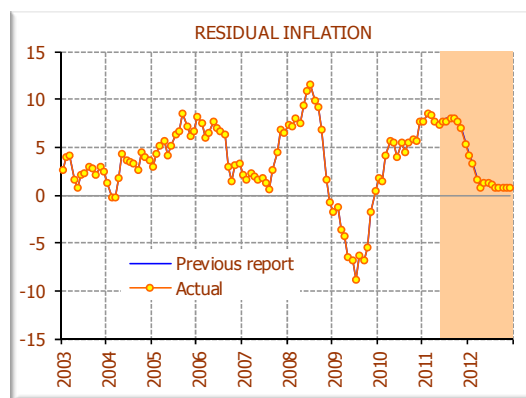
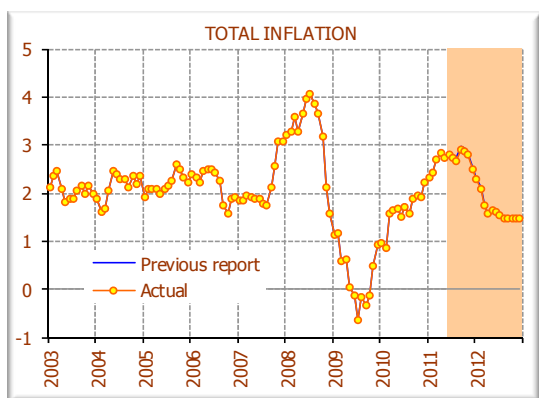
Date actual report: June 22, 2011

Date previous report: May 12, 2011



COMPONENTS OF HARMONISED INDEX OF CONSUMER PRICES IN THE EURO AREA

Year-on-year rates



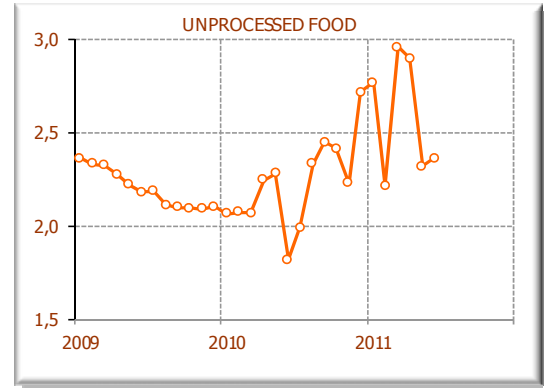
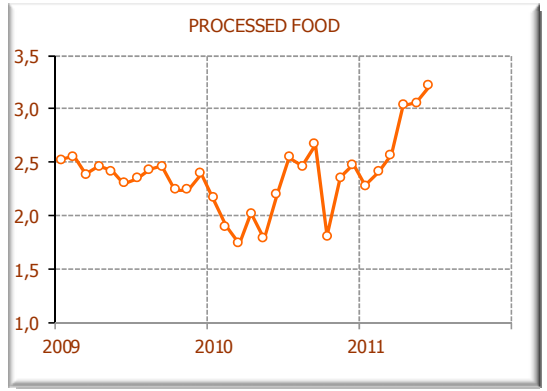
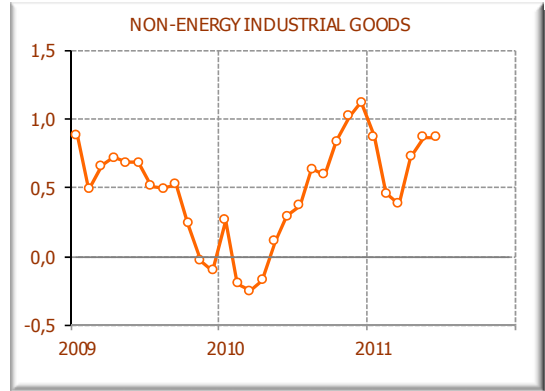
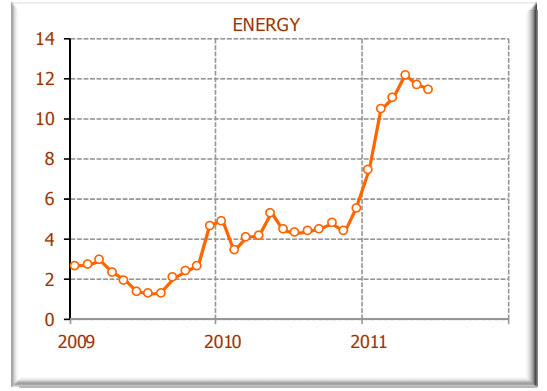
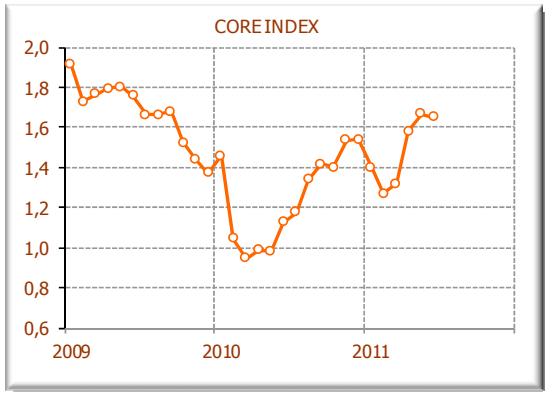
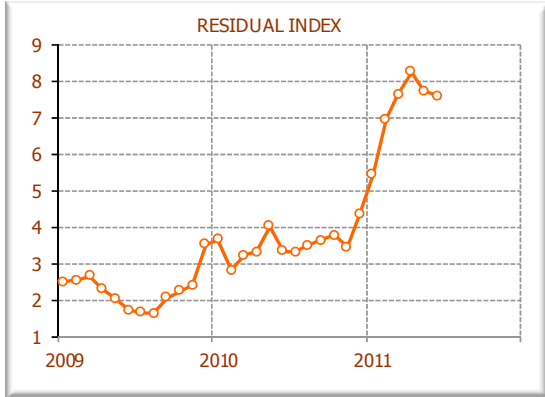
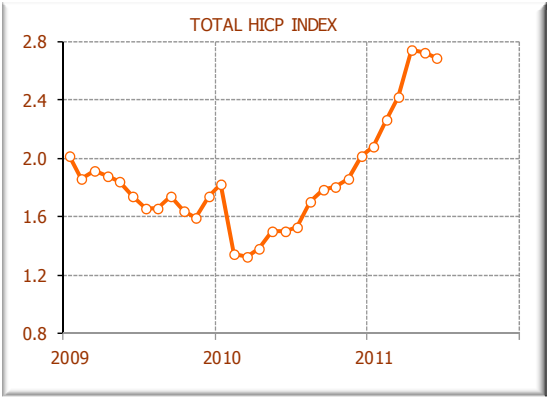
Source: EUROSTAT & BIAM (UC3M)

Date actual report: June 16, 2011

Date previous report: May 16, 2011



CHANGES OF EXPECTATIONS FOR THE AVERAGE 2011 RATE

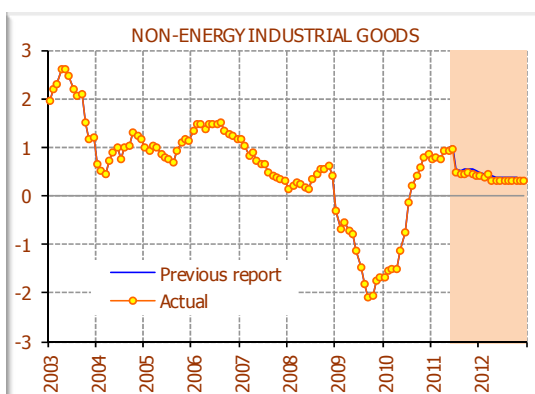
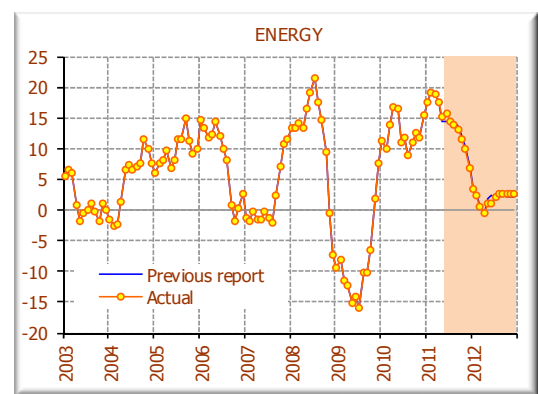
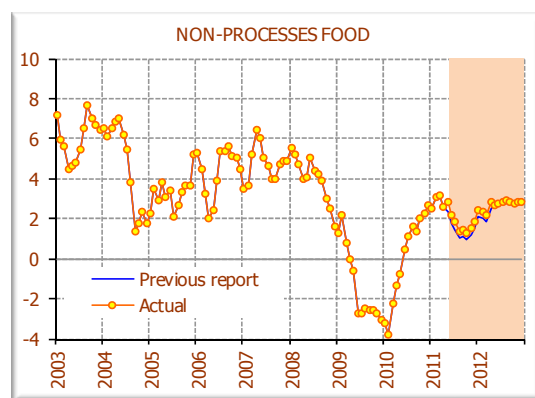
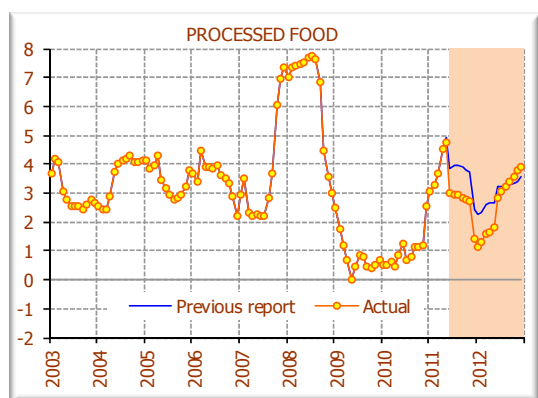
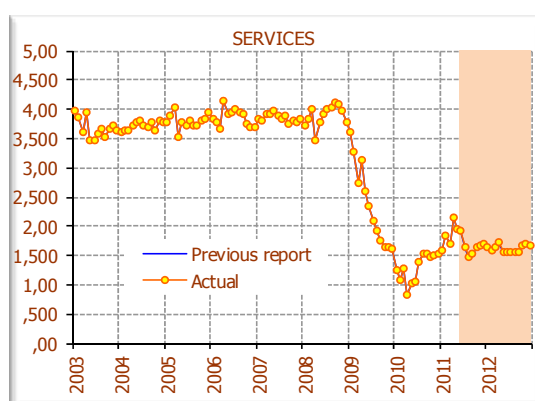
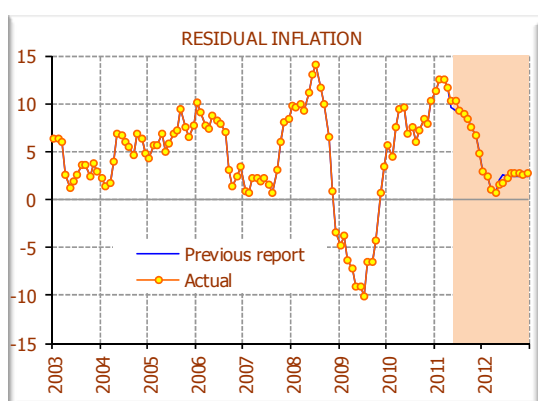
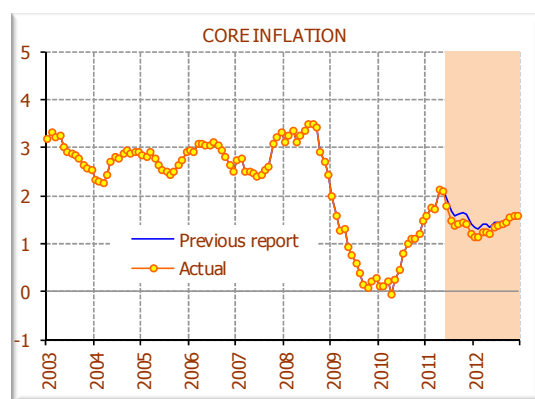
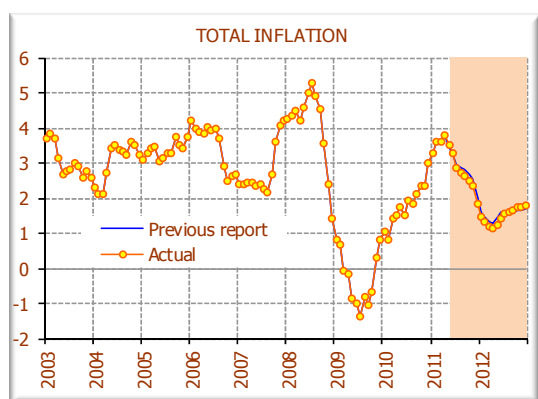


Source: EUROSTAT & BIAM (UC3M)

Date: June 16, 2011



ANNUAL RATE OF INFLATION BY SPECIAL GROUPS IN SPAIN Year-on year rates

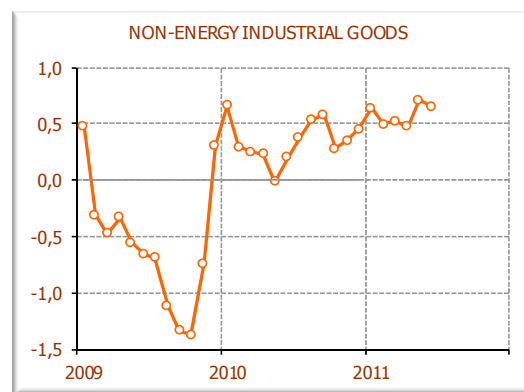
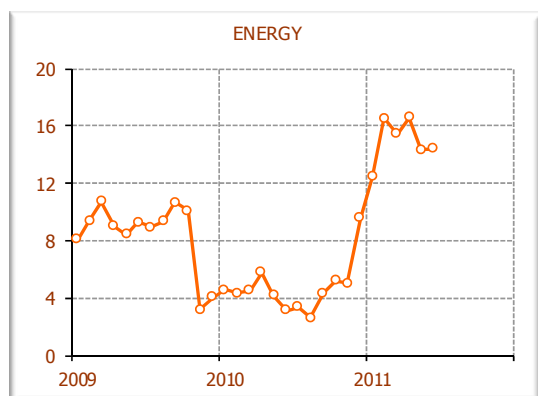
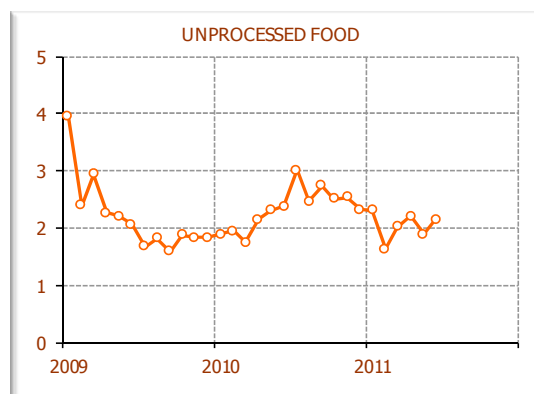
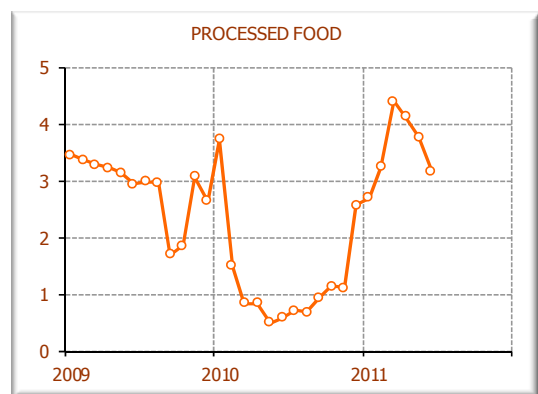
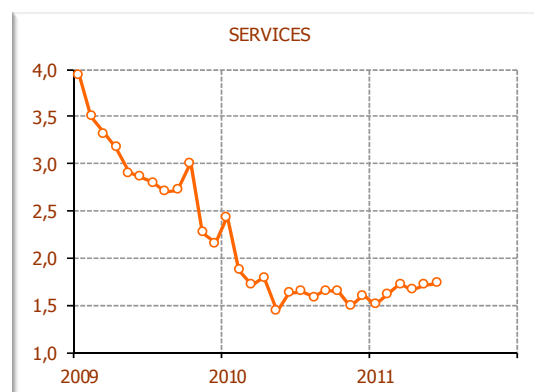
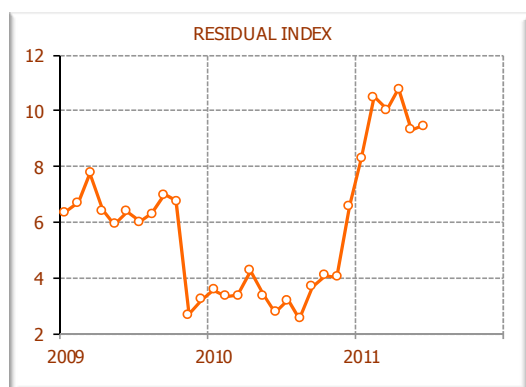
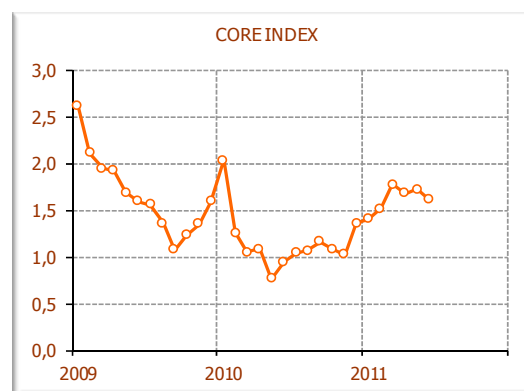
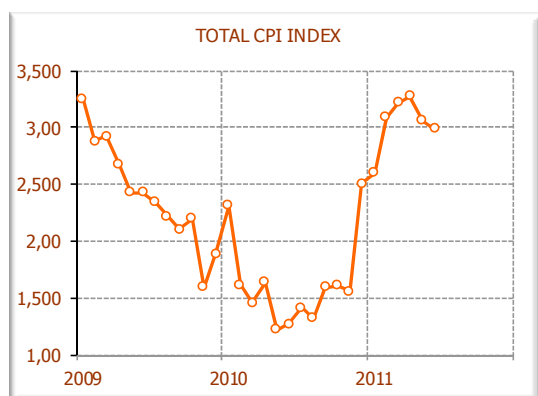


Source: INE & BIAM (UC3M).
Date actual report: June 29, 2011
Date previous report: May 27, 2011



INFLATION BY SPECIAL GROUP IN SPAIN

CHANGES OF EXPECTATIONS FOR THE AVERAGE 2011 RATE



Note: These graphs show the average anual CPI growth rates forecast in the Bulletin published in the month on the abscissa

Source: INE & BIAM (UC3M)

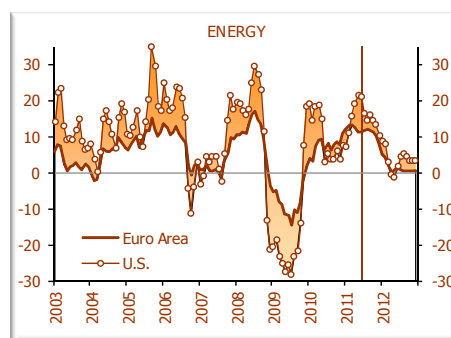
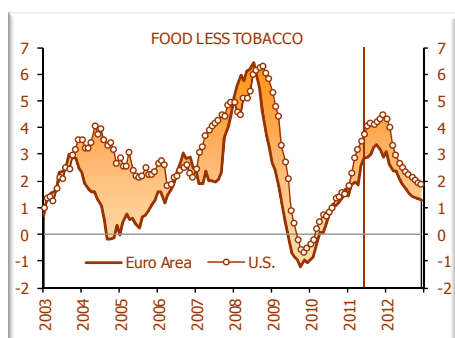
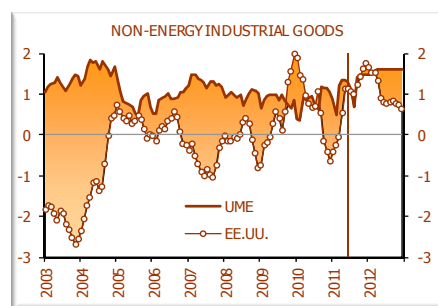
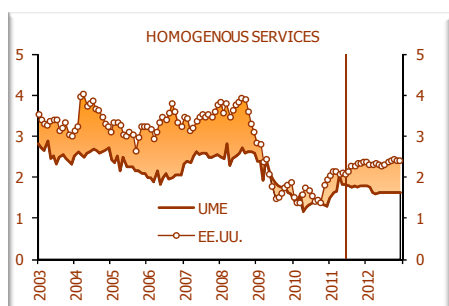
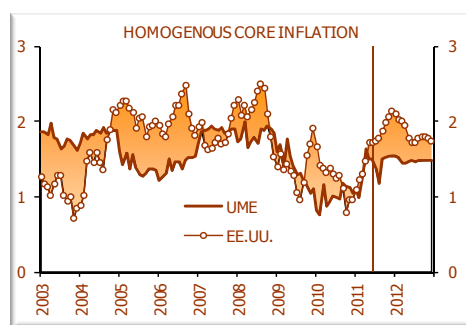
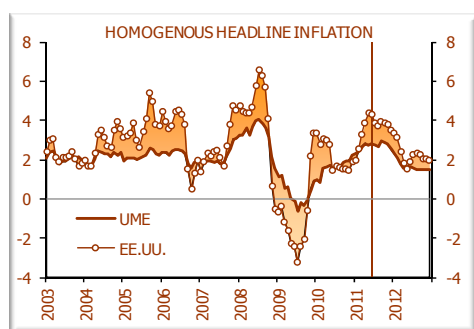
Date: June 29, 2011



VII. ANNEX II: SUMMARY OF FORECASTS FOR DIFFERENT AREAS

EURO AREA– EE.UU.

HOMOGENOUS INFLATION IN THE EURO AREA AND U.S.											
Annual average rates											
EA: Weights 2011		2004	2005	2006	2007	2008	2009	2010	Forecasts		
USA: Weights 2009									2011	2012	
TOTAL											
less Owner's equivalent rent of primary residence											
Euro area	100,0	2,1	2,2	2,2	2,1	3,3	0,3	1,6	2,7	1,7	
U.S.	76,4	2,8	3,7	3,1	2,7	4,3	-1,0	2,2	3,6	2,2	
HOMOGENOUS CORE INFLATION											
- Non-energy industrial goods and Services, less Processed Food in the Euro area.											
- Non-energy industrial goods less Tobacco in U.S.											
- Services less Owner's equivalent rent of primary residence in U.S.											
Euro area	70,3	1,8	1,4	1,4	1,9	1,8	1,4	1,0	1,4	1,5	
U.S.	53,2	1,6	2,1	2,1	1,8	2,1	1,4	1,2	1,7	1,8	
COMPONENTS OF HOMOGENOUS CORE INFLATION											
Services less Owner's equivalent rent of primary residence											
Euro area	41,4	2,6	2,3	2,0	2,5	2,6	2,0	1,4	1,8	1,7	
U.S.	32,8	3,6	3,1	3,3	3,4	3,6	2,0	1,6	2,2	2,3	
Non-energy industrial goods less Tobacco											
Euro area	28,9	0,8	0,3	0,6	1,0	0,8	0,6	0,5	0,9	1,2	
U.S.	20,4	-1,0	0,3	0,1	-0,7	-0,1	0,5	0,7	0,8	1,0	
EXCLUDED COMPONENTS FROM HOMOGENOUS CORE INFLATION											
Food less Tobacco											
Euro area	16,8	1,0	0,6	2,1	2,6	5,3	0,2	0,5	2,6	1,9	
U.S.	13,7	3,4	2,4	2,3	4,0	5,5	1,8	0,8	3,6	2,7	
Energy											
Euro area	10,4	4,5	10,1	7,7	2,6	10,3	-8,1	7,4	11,4	1,4	
U.S.	8,6	10,9	16,9	11,2	5,5	13,9	-18,4	9,5	15,0	3,6	



1. Excluding owner's equivalent rent of primary residence. 2. This homogeneous measure of core inflation does not coincide with the usual measure of core inflation for the euro area nor for the USA. It has been constructed in order to compare the data in the euro area and in the USA.

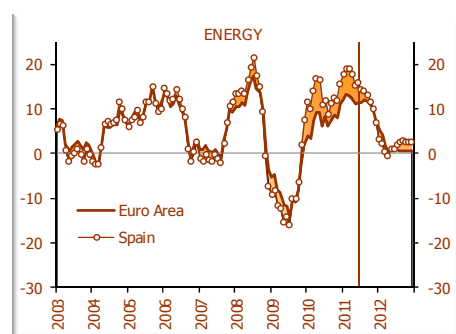
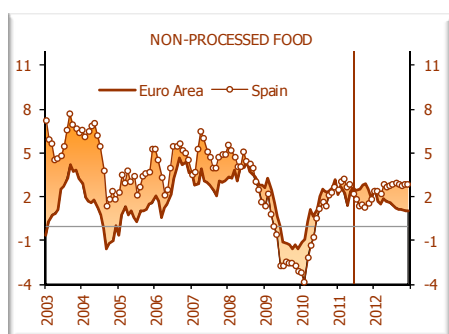
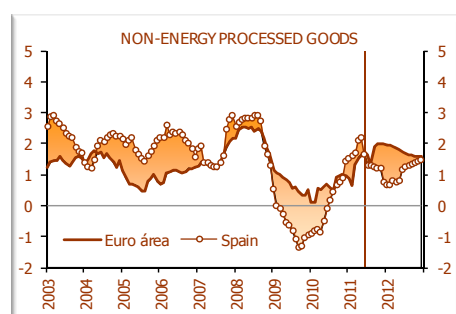
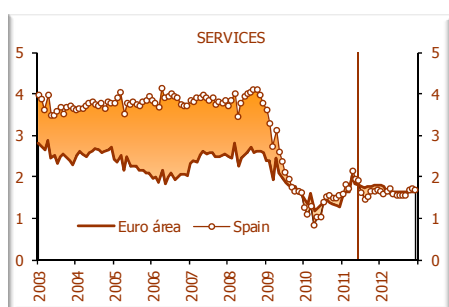
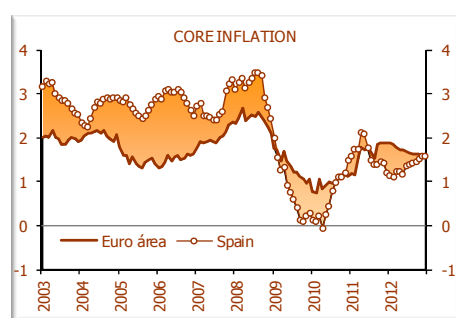
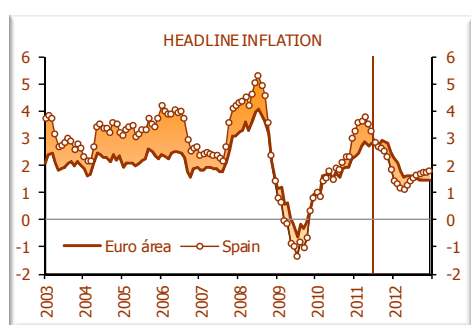
Source: EUROSTAT, BLS & BIAM (UC3M)

Date: June 16, 2011



EURO AREA– SPAIN

INFLATION IN SPAIN (CPI) AND IN THE EURO AREA (HICP)											
Annual average rates											
	Weights 2011	2004	2005	2006	2007	2008	2009	2010	Forecasts		
									2011	2012	
TOTAL											
Spain	100,0	3,0	3,4	3,5	2,8	4,1	-0,3	1,8	3,0	1,5	
Euro area	100,0	2,1	2,2	2,2	2,1	3,3	0,3	1,6	2,7	1,7	
CORE INFLATION											
Processed food, Non-energy industrial goods and Services											
Spain	83,0	2,7	2,7	2,9	2,7	3,2	0,8	0,6	1,6	1,3	
Euro area	82,3	2,1	1,5	1,5	2,0	2,4	1,3	1,0	1,7	1,7	
COMPONENTS OF CORE INFLATION											
Processed food											
Spain	14,6	3,6	3,4	3,6	3,8	6,7	0,9	1,0	3,2	2,6	
Euro area	11,9	3,4	2,0	2,1	2,8	6,1	1,1	0,9	3,2	3,0	
Non-energy industrial goods											
Spain	28,5	1,0	1,1	1,5	0,8	0,4	-1,2	-0,4	0,7	0,3	
Euro area	28,9	0,8	0,3	0,6	1,0	0,8	0,6	0,5	0,9	1,2	
Services											
Spain	39,9	3,6	3,7	3,8	3,8	3,9	2,4	1,3	1,7	1,6	
Euro area	41,4	2,6	2,3	2,0	2,5	2,6	2,0	1,4	1,8	1,7	
COMPONENTS OF RESIDUAL INFLATION											
Non-processed food											
Spain	6,4	4,4	3,4	4,2	4,5	3,8	-1,2	0,0	2,1	2,7	
Euro area	7,4	0,6	0,8	2,8	3,0	3,5	0,2	1,3	2,4	1,5	
Energy											
Spain	10,6	4,8	9,6	8,0	1,7	11,9	-9,0	12,5	14,4	1,9	
Euro area	10,4	4,5	10,1	7,7	2,6	10,3	-8,1	7,4	11,4	1,4	



Source: EUROSTAT, BLS & BIAM (UC3M)
Date: June 29, 2011





SUBSCRIPTION FORM 2011

Full Name:.....
 Company:.....
 Address of sending:.....

 Fiscal Address:.....

 VAT Number:.....
 Telephone:..... Fax:..... E-Mail:.....

PAYMENT TERM

(All prices included VAT and delivery costs)

Bank cheque

Made out to: Fundación Universidad Carlos III.

VAT: 79852257-G - Domicile:: C/ Madrid, 126. 28903 Getafe (Madrid)

(Send cheque to: Fundación Universidad Carlos III. Dpto. Contabilidad. Avda. de la Universidad, 20. 28911 Leganés (Madrid).

Bank transfer

To: Fundación Universidad Carlos III C.C.C.: 2096-0630-18-2839372704

Tarjeta de Crédito: VISA.....AMERICAN EXPRESS.....MASTERCARD.....CREDIT CARD..... (rellenar con una X)

Number:..... Expiry date:.....

Authorised signature:

Date:

BIMA, Bulletin of E.U. and US Inflation and Macroeconomic Analysis (monthly edition)

- via e-mail€ 400 ⁽¹⁾ ☐

- via regular mail (2).....€ 500 ☐

- Inflation forecasts broken down into a small number of sectors using econometric leading indicator and changing regime models when necessary, for EURO AREA, EU COUNTRIES and the US.
- Forecasts of the macroeconomic table, industrial indicators and economic sentiment in the Euro Area.
- Inflation forecasts for all the autonomous regions.
- Forecasts of the Spanish macroeconomic table.

Forecast and diagnosis update service€ 2.000 ☐

a) Forecast update service (via E-MAIL)

- 12 hours after the Spanish CPI is published.
- 12 hours after the euro area HCPI is published.
- 12 hours after the US CPI is published.

b) Diagnosis update service (via E-MAIL):

- E-mail notification of updates to the Bulletin's web page.
- E-mail update of the diagnosis of European inflation, 4 hours after the European harmonised inflation figure is published.
- Updated macroeconomic forecasts and Spanish and European economic indicators.

Joint subscription€ 2.100 ☐

+ Subscription to the BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

+ Forecast and diagnosis update service.

Subscription to the bulletin, updates, consultancy service and support for research.....€ 4.500 ☐

+ Subscription to the BULLETIN OF EU AND US INFLATION AND MACROECONOMIC ANALYSIS

+ Forecast and diagnosis update service

+ Immediate access to the working papers developed in relation to the Bulletin.

+ Access to the Bulletin's data bank upon individual request.

+ Consultancy service provided by the Bulletin's experts in related issues.

+ Inclusion of logo in the Bulletin and on the Internet in the list of collaborators supporting the research conducted by the Bulletin (optional).

(1) THESE SUBSCRIBERS WILL ALSO RECEIVE THE ELECTRONIC VERSION, PROVIDING THE TYPE OF DISTRIBUTION REMAINS UNALTERED

NOTA: **payment must be made before February 15 to ensure continued delivery of the Bulletin.**

INDICATORS CALENDAR

JUNE						
		1	2	3	4	5
6 Spain IPI (April)	7	8 Euro Area GDP Flash (I Quarter)	9	10	11	12
13	14 Spanish CPI (May)	15 Euro Area IPI (April) USA CPI (May)	16 Euro Area CPI (May)	17	18	19
20	21	22	23	24	25	26
27 USA PCE (May)	28	29 Spanish ESI Euro Area ESI (June)	30 Spain HICP Euro Area HICP (D.A. May)			

JULY						
				1	2	3
4 Unemployment Rate (June)	5	6 Spanish IPI (May) Euro Area GDP (1T)	7	8	9	10
11	12	13 Spanish CPI (June) Euro Area IPI (May)	14 Euro Area CPI (June)	15 USA CPI (June)	16	17
18	19	20	21	22	23	24
25	26	27	28 Spanish ESI Euro Area ESI (July)	29 Spain HICP Euro Area HICP (D.A. July) Spanish EPA (2 Quarter)	30	31

* ESI: Economic Sentiment Indicator
 CPI: Consumer Prices Index
 HICP: Harmonised Index of Consumer Price
 QNA: Quarterly National Accounts
 PCE: The Personal Consumption Expenditure Price Index
 EAPS Economically Active Population Survey
 IPI: Industrial Production Index
 A.D.: Advanced Indicator



The greater weight of energy in the Spanish consumption basket relative to that of the euro area led last month's fuel prices moderation to trigger the reduction of our Spanish inflation forecast, whereas that of the euro area remained the same.

INFLATION IN SPAIN (CPI) AND IN THE EURO AREA (HICP)										
Annual average rates										
	Weights 2011	2004	2005	2006	2007	2008	2009	2010	Forecasts 2011 2012	
TOTAL										
Spain	100,0	3,0	3,4	3,5	2,8	4,1	-0,3	1,8	3,0	1,5
Euro area	100,0	2,1	2,2	2,2	2,1	3,3	0,3	1,6	2,7	1,7
CORE INFLATION										
Processed food, Non-energy industrial goods an Services										
Spain	83,0	2,7	2,7	2,9	2,7	3,2	0,8	0,6	1,6	1,3
Euro area	82,3	2,1	1,5	1,5	2,0	2,4	1,3	1,0	1,7	1,7
COMPONENTS OF CORE INFLATION										
Processed food										
Spain	14,6	3,6	3,4	3,6	3,8	6,7	0,9	1,0	3,2	2,6
Euro area	11,9	3,4	2,0	2,1	2,8	6,1	1,1	0,9	3,2	3,0
Non-energy industrial goods										
Spain	28,5	1,0	1,1	1,5	0,8	0,4	-1,2	-0,4	0,7	0,3
Euro area	28,9	0,8	0,3	0,6	1,0	0,8	0,6	0,5	0,9	1,2
Services										
Spain	39,9	3,6	3,7	3,8	3,8	3,9	2,4	1,3	1,7	1,6
Euro area	41,4	2,6	2,3	2,0	2,5	2,6	2,0	1,4	1,8	1,7
COMPONENTS OF RESIDUAL INFLATION										
Non-processed food										
Spain	6,4	4,4	3,4	4,2	4,5	3,8	-1,2	0,0	2,1	2,7
Euro area	7,4	0,6	0,8	2,8	3,0	3,5	0,2	1,3	2,4	1,5
Energy										
Spain	10,6	4,8	9,6	8,0	1,7	11,9	-9,0	12,5	14,4	1,9
Euro area	10,4	4,5	10,1	7,7	2,6	10,3	-8,1	7,4	11,4	1,4

Source: INE & BIAM (UC3M)

Date: June 29, 2011


 FUNDACIÓN
URRUTIA ELEJALDE
FOUNDATION

For information about subscriptions see SUBSCRIPTION FORM inside this issue

www.uc3m.es/boletin

 Fundación
Universidad Carlos III